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Japan

Spokeswoman Welcomes Bush Troop Cut Proposal

OW0102134490 Tokyo KYODO in English 1320 GMT 1 Feb 90

[Text] Tokyo, Feb. 1 KYODO—Government spokeswoman Mayumi Moriyama welcomed Thursday U.S. President George Bush's proposal for deep cuts in U.S. and Soviet troops in continental Europe.

Chief Cabinet Secretary Moriyama said Bush "displayed a concrete initiative for realization of conventional forces reductions in Europe." Moriyama also expressed expectations for progress in U.S.-Soviet talks.

Bush proposed in his annual state of the union speech in Washington on Wednesday a cut in U.S. and Soviet troop strength to 195,000 on each side in Central and Eastern Europe.

Bush also said he telephoned Soviet leader Mikhail Gorbachev earlier in the day to explain the new U.S. proposal.

Tokyo Will Not Freeze Noriega's Assets

OW3101143790 Tokyo KYODO in English 1422 GMT 31 Jan 90

[Text] Tokyo, Jan. 31 KYODO—Japan will not be able to comply with a U.S. request to freeze the assets, if any, of Gen. Manuel Noriega, the deposed Panamanian president, held by Japanese financial institutions, Finance Ministry sources said Wednesday.

The sources discounted the possibility of such a freezing of assets in the absence of necessary legislation, including laws on money laundering. The same sources revealed that the Bush administration sounded out the Finance Ministry on its views last year-end, without mentioning specific Japanese financial institutions or bank accounts.

Under the circumstances, the Japanese Government will have to ask the United States to specify the names of Japanese banking institutions thought to be holding Noriega assets, and then will urge the Bush administration to take legal measures under common international legal arrangements, the sources said.

Meanwhile, Japanese financial institutions were generally pessimistic about the possibility of tracing Noriega assets in their organizations. An official of a major Japanese bank said, "there may be cases where U.S. branches of Japanese banks have dealt with Latin American drug money."

"But it is impossible to examine bank accounts on such a basis," said the official who asked for anonymity. The official also said that a similar situation exists with regard to the assets in banks in many countries of slain Romanian President Nicolae Ceausescu, a freeze on which has been called for by the National Bank of Romania.

The U.S. Justice Department asked Britain, France, Switzerland and Luxembourg last year-end to freeze Noriega's overseas assets, and some of them have reportedly agreed.

U.S. newspapers have reported that on the basis of papers confiscated in Panama, Noriega's overseas assets are estimated at over 1 billion dollars, some of which are hidden in Japan and West Germany.

Gorbachev, Shevardnadze Visit Dates in Doubt

OW0102091590 Tokyo KYODO in English 0842 GMT 1 Feb 90

[Text] Tokyo, Feb. 1 KYODO—Soviet Foreign Minister Eduard Shevardnadze may postpone his visit to Japan set for mid-March because of political uncertainties in Moscow and in Tokyo, Soviet diplomatic sources indicated Thursday.

The sources, speaking to reporters on condition of anonymity, also said it is unlikely that a more precise time-frame for Soviet President Mikhail Gorbachev's anticipated visit here in 1991 will be announced during Shevardnadze's trip to Tokyo.

Despite rumors of a delay in Shevardnadze's visit because of political tension in the Soviet Union, they stressed that nothing official of that sort has come out of the Kremlin since the date was first agreed upon last September.

Shevardnadze, who last came to Japan in December 1988, set his third visit in mid-March when he met Japanese Foreign Minister Taro Nakayama in New York.

But informed Japanese sources were quoted last Friday as saying the visit may be postponed, depending on the outcome of a key Central Committee meeting of the Soviet Communist Party in early February.

Foreign Ministry officials subsequently said that while they still expect Shevardnadze to come as planned, they are prepared for the eventuality of a delay. A postponement would be understandable under the circumstances, the ministry officials said, referring to Soviet economic, seccessionist and ethnic problems.

The Soviet sources stressed that Shevardnadze's visit is contingent not only on factors in the Soviet Union, but those on the Japanese side as well. They specifically mentioned the events to follow the general election for the House of Representatives on February 18, in which the rule of the Liberal Democratic Party (LDP) is at stake.

The sources further described a recent report that Gorbachev will visit in the first half of 1991 as "speculative" and "not necessarily true." While Gorbachev has agreed in principle to visit Japan in 1991 if there are no obstacles, they said he has never specified the season and, in any case, is not at this stage in a position to make

such a decision. The sources added that Gorbachev did not commit himself when former Japanese Foreign Minister Shintaro Abe suggested to him earlier last month in Moscow that he come "when the cherry trees are in bloom," a reference to spring.

Defense Plan Review To Consider Eastern Europe

OW3101144490 Tokyo KYODO in English 1426 GMT 31 Jan 90

[Text] Tokyo, Jan. 31 KYODO—The basic premises for Japan's future defense buildup plan will be reviewed in light of changes sweeping East Europe, according to Defense Agency sources.

Worked out chiefly by the Joint Chiefs of Staff, the premises stem from an analysis of developments in the domestic and international situations and potential military threats faced by Japan in the next three to eight years, and provide a basis for the next-generation defense buildup programs.

The most recent estimate or set of premises was formulated last September and approved by Defense Agency Director General Juro Matsumoto. It reflected moves then under way toward East-West detente, especially between the United States and the Soviet Union.

But the drastic reforms and changes which have subsequently taken place in such East European countries as Poland, Hungary, Czechoslovakia and Romania have made it necessary to study the impact such new trends will have on the Asian and Pacific regions, the sources said.

The old estimate will be refurbished, taking into consideration U.S. views that Vice Defense Minister Seiki Nishihiro will bring back from a Washington visit in which he held talks with Pentagon officials earlier this week, the sources said.

Central Bank Official Comments on U.S. Economy

OW3101143890 Tokyo KYODO in English 0821 GMT 31 Jan 90

[Text] Tokyo, Jan. 31 KYODO—A senior Bank of Japan official said Wednesday he does not see the U.S. economy approaching a "turning point" from its long-running expansion despite fourth-quarter U.S. gross national product (GNP) data that confirmed a slowing economy. The official, who asked for anonymity, said, "I think temporary factors appear to have acted strongly (on the U.S. economic slowdown)." The official said the preliminary GNP data showing a 0.5 percent annual rate of growth in the fourth quarter did not prompt him to change his view on the strength of the U.S. economy.

The U.S. figures, released Friday by the Commerce Department, showed the weakest economic performance since the second quarter of 1986, when the growth rate was 1.8 percent.

The central bank official also said the GNP figures were within market expectations, suggesting there would be no major movements after the release of the U.S. data.

But many financial analysts said the data, although providing clearer signs of an economic slowdown in the U.S., would reinforce the prospect that U.S. monetary authorities are less likely to move to allow interest rates to fall further despite market expectations. Economists here described the data as "weak" but "still a little stronger than expected," lessening the possibility of a recession in the U.S. economy. This at the same time means less of a likelihood that the U.S. Federal Reserve Board would ease its grip on credit further.

Bank of Japan officials also have repeatedly noted that the Fed would continue to take a cautious monetary stance at a time when a recent spate of economic data still is showing mixed signals on the strength of the U.S. economy.

Turning to the U.S. fiscal 1991 budget proposal set forth by President George Bush, the central bank official gave high marks to the administration's budget projections. There are lots of measures or initiatives in the proposal that will contribute to improving the U.S. economic and social structures, he said. The budget message as a whole shows the President's fairly positive stance on tackling difficulties facing the U.S., the official said.

The central bank will be watching to see how the U.S. budget proposals affect markets while monitoring future progress in deliberations on the budget in the U.S. Congress, he added. He admitted there is skepticism in the markets about the effectiveness of Bush's budget proposal in reducing the huge U.S. trade and federal budget deficits.

The U.S. administration expects real economic growth of about 2.6 percent in 1990, with personal consumption providing most of the impetus to growth. This outlook for real economic growth is widely seen as more optimistic than most other assessments made in the U.S., economists said. The budget proposal is also said to reflect an optimistic view on the interest rate front, they said.

The central bank official, meanwhile, expressed a cautious stance on foreign-exchange markets, which have been exhibiting relatively wild fluctuations since the start of the year. To prevent currency instability from intensifying, the central bank will intervene in the markets in concert with other major industrial countries whenever the situation requires it, the official said. He stressed the Japanese central bank is closely watching movements in the currency markets to see if such intervention is necessary, hinting that the bank is able to take such actions at any time.

The official also expressed cautious optimism over the movements in the capital and financial markets in the past several days. There are some signs that the markets

have calmed down to some extent, but the bank will keep a careful eye on future movements as well, he said.

The official indicated that the central bank is not considering an early increase in the official discount rate, saying the bank is still monitoring the effects of a recent rate hike.

The central bank raised the discount rate by half a percentage point to 4.25 percent December 25, the third boost last year.

Mieno, who is going to the U.S. next week for the first time since becoming central bank chief in December, will talk with Federal reserve Board Chairman Alan Greenspan about various topics as well as brief him on Japan's monetary policy, he added.

Ministry To Publish Warnings About Bid Rigging

OW3101134990 Tokyo KYODO in English 1153 GMT 31 Jan 90

[Text] Tokyo, Jan. 31 KYODO—The Construction Ministry will exercise stricter control to prevent construction companies from engaging in bid rigging, ministry sources said Wednesday.

The sources said that the ministry will introduce a warning against bid rigging into official documents distributed to construction companies in bidding for contracts with the ministry, beginning February 15. The new provision warns that bidding participants must not engage in practices which violate the Antimonopoly Law.

The guidance, which will be introduced only into contracts with the ministry for the present, is expected to be implemented in all public construction deals by early April at the soonest, after the agencies and public corporations concerned give their approval.

The sources said that the Japanese Government revealed the planned measure to its U.S. counterpart at bilateral construction talks held in Washington on January 19. U.S. officials, while appreciating Japan's efforts, said that they would closely watch how the guidance works in actually controlling bid rigging, according to the sources.

The United States had asked Japan to take some measures to prevent bid rigging, which it claims hampers free access by foreign builders to the Japanese construction market.

Central Bank Governor on Price Stability

OW0102113690 Tokyo KYODO in English 0801 GMT 1 Feb 90

[Text] Tokyo, Feb. 1 KYODO—Bank of Japan Governor Yasushi Mieno reaffirmed Thursday the central bank will continue focusing on securing price stability by taking early action to combat latent inflationary pressures.

Speaking at a gathering of business leaders here, the central bank head underlined the importance of keeping inflation psychology subdued, describing it as a necessary precondition for stable prices. Inflationary expectations have been successfully controlled so far, Mieno said.

But with the economic expansion continuing more than three years now, Mieno said vigilance should be maintained against potential inflation from a broader perspective, including real estate prices.

Calling the official discount rate raises last year precautionary action to pressure domestic price stability, Mieno hinted at the bank's readiness to take a similar action whenever the necessity arises.

The central bank raised its base lending rate three times last year to 4.25 percent per annum from a record low of 2.5 percent.

Given repeated cautious signals by the central bank that the threat of inflation is looming large, there is a growing view in the business community that the bank might raise its key money rate again in the immediate future to protect the yen's exchange value.

Pointing to six areas the central bank needs to watch as portending inflation, Mieno confirmed that the bank will keep a cautious and flexible stance in monetary policy management.

As the major checking points, Mieno cited the outlook for foreign exchange rates and crude oil prices, the tempo of economic expansion, and the money supply growth rate, in addition to changes in inflation psychology and land price prospects. Saying that currency stability must be maintained, Mieno said he will continue efforts in that direction.

Unlike his predecessor Satoshi Sumita, Mieno publicly uses the word "intervention," probably to demonstrate the bank's determination to contain the dollar's persistent strength.

To preserve Japan's sustained economic growth and rectify its external imbalance, it is essential to correct the yen's undervaluation against the dollar, provide wider foreign access to the Japanese market and ease various government regulations seen as impediments by other countries, he said.

Japan needs to play the role of an "anchor" in bringing about price stability worldwide, Mieno said, adding that it also would lead to sustained world economic growth.

Japan Will Not Recognize Hijacker Asylum Plea

OW3101233590 Tokyo KYODO in English 1442 GMT 31 Jan 90

[Text] Tokyo, Jan. 31 KYODO—A top Foreign Ministry official indicated Wednesday Japan will not recognize a suspected Chinese hijacker as a refugee seeking political asylum.

The official said on condition of anonymity that hijacking suspects will not be treated as political offenders in principle. The official said the principle is not established in International Law but is accepted in Europe and Japan concurs.

The hijacking suspect, Zhang Zhenhai, 36, said through Japanese lawyers Wednesday he joined the prodemocracy demonstrations at Beijing's Tiananmen Square last year and the purpose of the hijacking was to seek political asylum. He was detained after hijacking a Chinese airliner bound from Beijing to New York with 208 people aboard in December. The plane landed in Fukuoka, southern Japan.

Transport Minister Meets With Airport Protesters

OW3101012990 Tokyo KYODO in English 1052 GMT 30 Jan 90

[Text] Narita, Chiba Pref., Jan. 30 KYODO—Transport Minister Takami Eto met Tuesday with a group of farmers opposed to a government plan to expand the New Tokyo International Airport in Narita and promised to solve the impasse through dialogue rather than the forced acquisition of land.

It was the first time a cabinet minister met publicly with local farmers fighting the planned expansion since the dispute began more than 23 years ago. Eto told reporters after the meeting that he was glad he met with the farmers. They "didn't hold back in giving me their opinions," he said, adding that it is necessary to build trust on both sides to solve the dispute.

The farmers, members of the Sanrizuka-Shibayama Antiairport League, said they wanted to solve the dispute peacefully "if possible," but "as expected" found nothing to praise in the talks. The league is resisting government attempts to acquire farmland held by eight farm households near the New Tokyo International airport for a second runway. The league is demanding that officials stop threatening the forcible acquisition of their land and abandon the new runway scheme.

Eto, while apologizing for the earlier handling of the dispute, said the airport's expansion "absolutely must be done."

Late last year, a confrontation between police and antiairport protesters erupted when authorities dismantled several huts built by opponents on the proposed runway site. The eight farm households still holding out have made the government plan to complete the runway by the end of 1991 impossible.

Kaifu Tells Leaders He Will Win or Resign

OW3101140690 Tokyo KYODO in English 1351 GMT 31 Jan 90

[Text] Tokyo, Jan. 31 KYODO—Prime Minister Toshiki Kaifu told senior ruling party leaders Wednesday he plans to resign if the Liberal Democratic Party (LDP) fails to win the general election on February 18.

"In the upcoming election I believe we will definitely win," Kaifu told Shin Kanemaru, leader of the largest and most influential LDP faction, led by former Prime Minister Noboru Takeshita. "If we lose, I will resign as head of the cabinet," he told Kanemaru in a 25-minute meeting at the Takeshita faction office. The visit was Kaifu's first stop on a two-day round of visits to discuss the upcoming election with faction leaders.

Kanemaru said an LDP majority "would mean recognition of the Kaifu cabinet, so I hope you will do a good job." The former deputy premier had previously reserved comment on the future of the Kaifu cabinet following the elections for the House of Representatives.

Rival prime ministerial hopeful Shintaro Abe, in a separate meeting with Kaifu at his office, offered his cooperation in order to secure an LDP majority in the 512-seat Lower House, but did not comment on the continuation of Kaifu's premiership.

Abe temporarily set aside his bid to lead the party last year after he was associated with the Recruit stocks-for-political-favors scandal. Political analysts say that Abe and others associated with the Recruit scandal expect reelection to clear the way for resuming their full-fledged political activities.

Campaigning for the elections, the first since the opposition broke the LDP's 34-year hold on power in House of Councillors elections last summer, officially begins Saturday.

On the unpopular 3 percent consumption tax, one of the key election issues, Kanemaru and Kaifu agreed to take a "flexible" stance. The LDP announced last December a scheme to revise the tax to make it more acceptable, but Kanemaru has been urging a more radical revision that would change the tax's name and earmark the revenues specifically for social welfare programs. Abolition of the tax is a main campaign theme for the opposition parties.

Miyazawa Criticizes Kaifu Resignation Threat

OW0102121790 Tokyo KYODO in English 0946 GMT 1 Feb 90

[Text] Tokyo, Feb. 1 KYODO—Former Finance Minister Kiichi Miyazawa on Thursday chided Prime Minister Toshiki Kaifu for officially declaring he would resign if the ruling Liberal Democratic Party (LDP) failed to win a simple majority in the February 18 general election.

Miyazawa, head of the third-ranked faction in the LDP, made the criticism in a meeting with Kaifu, who visited intraparty faction leaders over the past two days to discuss the upcoming House of Representatives election.

Miyazawa told Kaifu it is a kind of "defeatism" for a prime minister to declare his intention to resign before the election. But Miyazawa promised full support for Kaifu in his attempt to win 257 or more seats in the 512-seat lower house election.

Earlier in the day, Kaifu called on former Foreign Minister Yoshio Sakurauchi, head of the fourth-largest faction once led by former Prime Minister Yasuhiro Nakasone, and reiterated his determination to secure a majority in the election.

Asked whether his two-day talks with LDP faction leaders run counter to ongoing efforts to eliminate factionalism in the ruling party, Kaifu told reporters that he met them to establish cooperation among all party members as the election approaches.

Meanwhile, during a campaign stop in Matsue, western Japan, former Prime Minister Noboru Takeshita told reporters that he believed the LDP would be able to maintain its majority in the lower chamber. Takeshita, leader of the largest LDP faction, repeated his endorsement of Kaifu as prime minister if the LDP maintains its majority.

In Kofu, west of Tokyo, former Deputy Prime Minister Shin Kanemaru, the formal head of the Takeshita faction, predicted a restructuring of the political system as soon as the election is over.

Meanwhile, Tsuruo Yamaguchi, secretary general of the Japan Socialist Party (JSP), expressed determination to form a coalition government among the JSP, Komeito, the Democratic Socialist Party and the United Social Democratic Party if they win a majority in the election. He was speaking in a talk show videotaped by Japan Broadcasting Corp. (NHK). The leader of the largest opposition party later visited the prime minister's official residence to protest a government advertisement that appeared in three major dailies the previous day.

Yamaguchi delivered a letter of protest addressed to Kaifu through Deputy Chief Cabinet Secretary Nobuo Ishihara. The letter said the advertisement appearing just before the proclamation of the general election on Saturday was virtual campaigning by the LDP utilizing taxpayers' money. The half-page advertisement touted the results of Kaifu's recent visit to West and East European countries.

Takako Doi Criticizes LDP Election Fund

OW3101140990 Tokyo KYODO in English 1330 GMT 31 Jan 90

[Text] Ise, Mie Pref., Jan. 31 KYODO—Japan Socialist Party (JSP) Chairwoman Takako Doi on Wednesday criticized "money-power politics" under the ruling Liberal Democratic Party (LDP), focusing on the LDP's financial support from business circles, reportedly totaling 30 billion yen, for the February 18 general election for the House of Representatives.

The leader of Japan's largest opposition party said the JSP will also ask major business bodies, including the Federation of Economic Organizations (Keidanren), which donated huge amounts to the LDP election fund, to elaborate on their contributions to the ruling party.

Doi told reporters at a news conference held in Ise, Mie prefecture, that the JSP is determined to oust the LDP from power in the upcoming general election, to promote political reform and to abolish the controversial 3 percent consumption tax introduced last April.

Doi criticized LDP leaders for their remarks favoring another "review" of the consumption tax, saying they made the remarks with the general election in mind to hold onto the tax. She said even if the consumption tax is once again reviewed, the defects will not be addressed.

On Sunday, Shin Kanemaru, a senior official of the LDP, while calling for a review of the 3 percent consumption tax, indicated that the tax would be maintained but tax revenues would be used exclusively to finance social welfare programs.

Doi urged the LDP to give a definite answer as to how and when it will revise the tax. Doi was in Ise, where she is giving election campaign support to two JSP candidates running in the election.

Former Chief Cabinet Secretary Takao Fujinami, charged with taking bribes from the information conglomerate Recruit Co., has already announced his intention to run in the general election in the constituency. Doi said it is "incredible" that in Western industrialized countries such bribery-tainted politicians can seek reelection to parliament.

The JSP will struggle against the money-power politics practiced during the LDP's 40-year one-party rule, she added. Touching upon the pre-election TV debate by five major political parties set for Friday, she branded the proposal by the LDP as the party's strategy to divert voter attention away from the consumption tax, but she said she will fight Prime Minister Toshiki Kaifu "fair and square."

KYODO Suggests Post-Election Realignment

OW0102031690 Tokyo KYODO in English 0146 GMT 1 Feb 90

["Political Realignment May Follow General Election by Hideharu Torii"—KYODO headline]

[Text] Tokyo, Feb. 1 KYODO—Japan's political world is anticipating a major change in its structure pending the outcome of the February 18 general elections for the House of Representatives. The virtual uninterrupted conservative domination of the country since the end of World War II may end and there may be a regrouping of political parties.

The key to the question of whether there will be a major political realignment in Japan depends on whether the

ruling Liberal Democratic Party (LDP) wins a majority in the election for the 512-seat Lower House. It held 295 seats before the Lower House was dissolved on January 24.

Political pundits predict the LDP may retain a majority but are divided on its size.

Prime Minister Toshiki Kaifu, who assumed the reins of government only last summer, has declared he will step down if he fails to lead his conservative party to victory at the February polls. The LDP, which has been in power since 1955, might then have to give up power.

This scenario became more realistic after the LDP lost in the election for the House of Councilors last summer largely because of the controversial 3 percent Consumption Tax and the defection of farmers. It was the LDP's first loss in national elections since its founding in 1955 through the merger of two conservative parties. It was against such a background that veteran conservative politician Shin Kanemaru put forward in December a "grand unity" coalition aimed at bringing together the LDP and the Japan Socialist Party (JSP), minus its left-wing after the general elections.

Kanemaru, leader of the LDP's most powerful faction, emphasized the need to break what he called a "tug of war" between the LDP-dominated Lower House and the opposition-controlled second chamber, the House of Councilors.

Unless ruling and opposition parties cooperate in some form, no major bills can be enacted in the Diet since approval of both houses are required. This rule, however, does not apply to the state budget and the appointment of the prime minister.

Kanemaru, political mentor of former Prime Minister Noboru Takeshita, said it may take 9 to 12 years for the LDP to regain a majority in the Upper House.

Meanwhile, Makoto Tanabe, former secretary general of the JSP, has called for reunification of the JSP and its breakaway groups, the Democratic Socialist Party (DSP) and United Social Democratic Party (USDP). Tanabe, leader of a right-wing faction within the JSP who has close ties with Kanemaru, also proposed that the party's name be changed to the "Social Democratic Party" following the general elections. If social democratic forces unite, sympathizers from among the LDP, may tip the political scales in favor of the opposition, Tanabe said.

Political analysts, however, are skeptical about the proposals put forth by Kanemaru and Tanabe. "Kanemaru is baiting the opposition camp. He is thinking only of power politics," said Taizo Yakushiji, a political science professor at Saitama University.

Norio Okazawa, a professor of political science at Waseda University, said Kanemaru has no political philosophy and has not presented a scenario for the proposed political realignment. The number of seats won by the LDP will determine the possible rearrangment of political parties, Okazawa said. If the LDP gains only a slim majority of 257, 15 to 20 legislators can demonstrate "threatening power," he said. Under such conditions a split within the LDP could occur and lead to political realignment, Okazawa said. But political reorganization will be impossible unless the JSP has the "courage" to regroup with the DSP and USDP, Okazawa said.

Both the LDP and JSP were established in 1955. In that year, the right and left wings of the JSP were reunited following 4 years of separation. One scenario for realignment is that the faction led by former Finance Minister Kiichi Miyazawa could split from the LDP, Yakushiji said. The JSP could then use its vote in a decisive manner, he added.

Okazawa said moves by LDP liberals toward a middle-of-the-road stance could also cause a realignment but that a possible breakaway right-wing group within the LDP led by nationalist Shintaro Ishihara would not trigger a major shift in the political balance. Okazawa said business circles are likely to push for a political realignment and the formation of a system dominated by two conservative parties to preserve Japan's role as an economic superpower in the free-trade system.

Opposition Groups To Cooperate in 23 Districts

OW3101012690 Tokyo KYODO in English 1228 GMT 30 Jan 90

[Text] Tokyo, Jan. 30 KYODO—Four non-communist opposition parties and the nation's largest labor union have agreed to jointly support candidates in 23 electoral districts in the February 18 general election, opposition sources said Tuesday.

The number of constituencies in which opposition forces will cooperate to confront candidates of the ruling Liberal Democratic Party is 10 less than in the last House of Representatives election held in June 1986. Out of 130 electoral districts nationwide, two centrist parties, Komeito and the Democratic Socialist Party (DSP), will jointly support candidates in 19 constituencies.

The No. 1 opposition Japan Socialist Party, the DSP, the minor United Social Democratic Party and the eight million-strong Japanese private sector Trade Union Confederation (Rengo) will back joint candidates in three constituencies.

The four opposition parties and Rengo will jointly support a candidate in Gunma's No. 3 electoral district in an effort to oust former Prime Minister Yasuhiro Nakasone who has represented the constituency since 1947.

The opposition camp has pledged to break the LDP's 34-year monopoly on power in the election but their conflicting interests have prevented them from supporting more candidates, political anaysts said.

Mongolia

Tsedenbal, Wife Said Expelled From Youth League

HK0102103890 Hong Kong AFP in English 1017 GMT 1 Feb 90

[Text] Beijing, Feb 1 (AFP)—The Mongolian Revolutionary Youth League has expelled from its ranks the country's 73-year-old former strongman, Yumjaagiyn Tsedenbal, and his wife, Mongolian radio reported. Mr. Tsedenbal, who has lived in exile in Moscow since his ouster as head of the ruling Mongolian People's Revolutionary Party in 1984, was also stripped of all his titles "in response to pressing demands by League members," said a recent broadcast.

A transcript of the English-language broadcast was obtained here Thursday.

Mr. Tsedenbal, sometimes called "the Mongolian Brezhnev" after the late Soviet leader, is today openly denounced by Mongolian authorities as responsible for 26 years of stagnation in the landlocked nation bordered by China and the Soviet Union.

The Mongolian Democratic Union, a new opposition movement that appeared last December in the capital Ulaanbaatar, has demanded that the fallen leader be repatriated and put on trial.

Another former leader—this time a foreign one—fell victim to the nascent reform movement in the Mongolian People's Republic in January when parliament revoked the county's highest award, the Order of Sukhe Bator, that it had given a year earlier to the late Romanian dictator Nicolae Ceausescu.

Namsray Says Tsedenbal Involved in Repression

OW0102110390 Ulaanbaatar International Service in English 0910 GMT 1 Feb 90

[Text] Thirty thousand eight hundred and six people became victims of tyranny and illegal repression in the nineteen thirties and forties in Mongolia. This was revealed to a MONGOLPRESS NEWS AGENCY correspondent by Politburo member and Secretary of the Mongolian People's Revolutionary Party [MPRP] Central Committee Namsray who heads an MPRP CC Politburo Commission on Rehabilitating People Illegally Repressed in the Thirties and Forties. He said that this was not the final number of victims of repression because the commission is continuing its work. At present the commission has rehabilitated 14.1 percent of all the innocent victims, including those who were rehabilitated by the previous commissions.

Namsray has also said that as the chief of the rehabilitation commission he can say that many more acts of Tsedenbal's involvement in repressing innocent people are coming to light.

According to Namsray, the responsibility for the mistakes and errors made under Tsedenbal must be borne by not only Tsedenbal but also by all those who worked for him. Historical truth demands that, said Namsrary.

Speaks on Rehabilitation Process

OW0102092190 Ulaanbaatar MONTSAME in Russian 1443 GMT 31 Jan 90

[Text] Ulaanbaatar, 31 Jan (MONTSAME)—T. Namsray, member of the Politburo and secretary of the MPRP [Mongolian People's Revolutionary Party] Central Committee, who heads the MPRP Central Committee Politburo Commission on Rehabilitating People Illegally Repressed in the Thirties and Forties, has reported that [figure indistinct] people became victims of tyranny and illegal repressions in the thirties and forties. An interview he gave to a MONTSAME correspondent was published in the latest issue of the TSAG UYE [TIME AND (?EPOCH)] bulletin.

T. Namsray noted that the aforementioned number of victims of repression was not a final figure, as the work of the commission is continuing. To date 14.1 percent of those who suffered illegally have been rehabilitated, including (?individuals) rehabilitated by previous commissions. "Before us, from 1956, rehabilitation questions were handled by two other commissions. However their activities were suspended. The reason for this did not lie in the incompetence of the commission members but in the premeditated termination of this work by the country's former leader Y. Tsedenbal and his entourage. Our commission differs from the two previous ones in that we do not have people who were well acquainted with those who were repressed and in that the progress of rehabilitation work is constantly reported to the public," the head of the commission said.

"Our work is not proceeding very rapidly. However, we do not intend to hurry, as the reestablishment of justice is responsible work and demands great thoroughness and adherence to the law. The aim of our commission is to value genuine justice," T. Namsray noted.

"As chairman of the rehabilitation commission, I can say that during the course of its work more and more new facts are being revealed, attesting to Y. Tsedenbal's complicity in the repression of innocent people. I consider that responsibility for mistakes and omissions, permitted [words indistinct] (?Tsedenbal), together with him must be borne [words indistinct] this is demanded by historic truth," T. Namsray said.

North Korea

Reported Arms Supply to Philippine Rebels Denied

SK0102050090 Pyongyang KCNA in English 0446 GMT 1 Feb 90

["Sheer Fabrication"—KCNA headline]

[Text] Pyongyang January 31 (KCNA)—Western news agencies including UPI recently spread a groundless report that the Democratic People's Republic of Korea signed an agreement on supplying arms to the Philippine Communist guerrillas.

This is a sheer fabrication, an anti-DPRK intrigue of those who do not like the development of friendly relations between the DPRK and the Philippines.

We state explicitly that we have never had a contact with Filipino communist guerrillas nor signed an agreement on supplying weapons to them.

The Western news agencies reported that we signed the agreement on arms supply in exchange for information on the installations of the U.S. forces in the Philippines. But what is the use of the information to us?

This plainly shows how absurdly the Western reports are fabricated.

Our country has established friendly relations with nonaligned, developing and other peaceloving countries on the principles of chajusong, mutual respect and noninterference in other's internal affairs and are constantly developing them.

The relationship with the Philippines makes no exception. The government of our Republic has made tireless efforts to develop friendly relations with the government of Corazon Aquino after its birth in the Philippines.

We support the just peaceful steps of the Corazon Aquino government.

The imperialists are working craftily to drive a wedge into the friendly relations between the DPRK and Philippine governments through their paid media, but to no avail.

Shevardnadze Supports Kim Il-song Proposal

SK0102003590 Pyongyang Domestic Service in Korean 2200 GMT 31 Jan 90

[Text] Comrade Eduard Amvrosiyevich Shevardnadze, member of the Political Bureau of the CPSU Central Committee and foreign minister of the Soviet Union, expressed full support for the new reunification proposal put forward by the great leader Comrade Kim Il-song.

In a meeting on 30 January with Kwon Hui-kyong, our ambassador to the Soviet Union, he wished the Korean people success in the struggle to implement the task assigned by the Workers' Party of Korea and to fulfill the Third 7-Year Plan and said: I fully support the proposals that Comrade Kim Il-song has put forward to alleviate the situation on the Korean peninsula and to remove military confrontation there. The initiatives to make the Korean peninsula a nuclear-free peace zone, to withdraw foreign forces from South Korea, to promote dialogue between the North and the South of Korea, and to alleviate the situation in Asia and the Pacific are of great significance. In particular, the proposal for removing a concrete wall in the area south of the Military Demarcation Line and for realizing free travel between the North and the South, which was put forward by Comrade Kim Il-song recently, is a very bold proposal. This proposal and all other proposals have won support from the Soviet Union and the progressive countries and forces of the world.

He asked the ambassador to convey Comrade Mikhail Segeyevich Gorbachev's cordial greetings to Comrade Kim Il-song and Comrade Kim Chong-il.

In the meeting, Ambassador Kwon appraised the Soviet Union's efforts to alleviate tension in Asia and the Pacific and expressed solidarity with the peace-loving initiatives of the party and the government of the Soviet Union, including the initiatives for nuclear disarmament, reduction of conventional weapons, and steps to ban chemical weapons.

Joint Solidarity Group Meeting With Cuba Held

SK0102105990 Pyongyang KCNA in English 1035 GMT 1 Feb 90

[Text] Pyongyang February 1 (KCNA)—An annual meeting of the Korea-Cuba Solidarity Committee was held on February 1.

Present there were Chong Song-nam, minister of External Economic Affairs and chairman of the Korea-Cuba Solidarity Committee, and other officials and Cuban Ambassador to Korea Juan Jose Leon Vega and his embassy officials. The meeting summed up the work done by the committee last year and discussed this year's work.

U.S. 'Moves' Against Cuba Denounced

SK0102055490 Pyongyang KCNA in English 0522 GMT 1 Feb 90

["NODONG SINMUN Castigates Anti-Cuban Moves of U.S. Imperialists"—KCNA headline]

[Text] Pyongyang February 1 (KCNA)—The Korean people bitterly denounce the escalating anti-Cuban moves of the U.S. imperialists and demand their immediate discontinuation, says NODONG SINMUN Thursday.

The U.S. imperialists announced that they would start the trial TV broadcasting against Cuba at the beginning of February, in defiance of the strong opposition and protest of the Cuban people. Coinciding with this, their destroyer and amphibious attack ship entered into the U.S. naval base in Guantanamo and nuclear-powered missile cruiser, a carrier and a nuclear-powered carrier are sailing on the sea off Cuba. An anti-Cuba propaganda has been sharply intensified of late.

These facts tell that the anti-Cuban manoeuvres of the U.S. imperialists have reached a grave stage, the news analyst says, and continues:

The anti-Cuban moves of the U.S. imperialists are an offspring of their western hemispherial strategy of aggression. They have set it as their main target to stifle Cuba which exerts a great revolutionary influence upon the western hemisphere, advancing under the uplifted banner of socialism.

They are desperately attempting to bring the Cuban people to their knees by force, while trying covertly and overtly to destabilize Cuba from within, maliciously slandering it over such a nonsensical problem as "human rights".

They are arrogant enough to openly demand a change in the political system of Cuba and let their aggression forces occupying Panama encircle the Cuban Embassy there and threaten it with military planes flown over it.

The U.S. imperialists are massing warships around Cuba, while intensifying provocative moves against Cuba in every way. This indicates that they are trying to invent a pretext for armed intervention, running amuck in their reckless attempt to contain Cuba by strength.

The U.S. imperialists are the very ones who aggravate the situation in Cuba and Central America and threatens the sovereignty of countries in this region. With nothing can they frighten the revolutionary Cuban people.

The U.S. imperialists must stop their anti-Cuban moves at once.

U.S. Increase in Defense Spending Denounced

SK0102052090 Pyongyang KCNA in English 0507 GMT 1 Feb 90

["MINJU CHOSON on U.S. Imperialists' Arms Buildup—KCNA headline]

[Text] Pyongyang February 1 (KCNA)—MINJU CHOSON in a commentary today raps at the demand of Bush for an increase of military spendings by 5 billion dollars in fiscal 1991.

The news analyst says:

The U.S. rulers had already decided to disburse in fiscal 1991 far more military spendings than in the current fiscal year, the biggest [word indistinct] in scale in the history of the United States. Not content with it, however, Bush demanded a still larger amount of military appropriations.

This furnishes a clear proof that although the U.S. imperialists are loud-mouthed about "peace" and "disarmament," they, in actuality, continue with armament expansion, stepping up preparations for a nuclear war.

The U.S. rulers talk about "nuclear disarmament" at the conference table. But, outside the conference room, they made public a 250 billion dollar worth nuclear arms modernization program covering a period of 20 years. They are putting spurs on the development of new intercontinental ballistic missiles (IBM), the modernization of the existing missiles and the manufacture of new-type nuclear strategic bombers in order to make up for the quantitative reduction of nuclear weapons with their qualitative improvement on the one hand. On the other hand, they are pushing ahead with the adventurous "Star Wars" program and will reportedly produce and deploy more than 130 "Stealth" bombers called "Nuclear Bat."

Regarding South Korea as the "first line of the U.S. strategy," the U.S. imperialists have deployed there nuclear means of many types they have developed and produced up until now.

Facts show that their aggressive nature can never change and so there can be no change in their strategy of strength for satisfying their desire for world supremacy.

The U.S. imperialists must renounce the anachronistic policy of strength.

U.S. Troop 'Modernization Program' Denounced

SK0102005490 Pyongyang KCNA in English 2257 GMT 31 Jan 90

["U.S. Imperialists' Scheme of Permanent Occupation of South Korea Revealed—KCNA headline]

[Text] Pyongyang January 31 (KCNA)—A South Korean puppet Government insider on January 30 made it plain that the presence of U.S. forces in South Korea would continue, "foreseeing" that "there would be no cuts in the U.S. ground force till the year 2000," according to a radio report from Seoul.

At the same time, it was made known that nuclear-capable "F-16" planes will soon be deployed additionally as "part of the modernization program of the U.S. Airforce" present in South Korea.

The repeated revelation of the scheme of permanent occupation of South Korea by the U.S. imperialist aggression forces and the open talk about arms buildup well show once again that the U.S. imperialists are the chieftain of aggression who still seek a way out in their colonial occupation policy and nuclear war, contrary to the trend toward detente.

The South Korean people are now waging a vigorous anti-U.S. struggle for independence, shouting "drive out U.S. imperialism." U.S. Army installations are attacked with flame bottles, the U.S. flag is burnt, torn to pieces and trampled underfoot here and there.

This notwithstanding, the U.S. imperialists are not willing to pull out of South Korea, taking to it like a polar bear to snow, and are frantically stepping up arms buildup, and the puppets are begging for their permanent presence.

The U.S. imperialists must look straight at the global trend toward independence and pull their aggression forces and weapons out of South Korea without delay.

Further on North-South Political Talks

SK0102010490 Pyongyang KCNA in English 2301 GMT 31 Jan 90

[Text] Panmunjom January 31 (KCNA)—The sixth preliminary talks for North-South high-level political and military talks was held today at the Tongil Pavilion in our side's portion of Panmunjom.

Present there were five delegates from each side.

At the talks head of our side Paek Nam-chun stressed that our new proposal for peaceful reunification set forth by the great leader President Kim Il-song in his New Year address is an important overture indicating a way of removing obstacles lying in the way of reunification and opening a decisive phase for independent and peaceful reunification. He expressed the hope that the South side would actively strive through the talks for an early realization of a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part.

Noting that the hasty announcement of the plan to stage the "Team Spirit-90" joint military exercises by the South side shows that it is pursuing the policy of confrontation and war, division and dependence on outside forces, not dialogue and detente, peace and reunification, he said this spoils the atmosphere of North-South dialogue and endangers the opening of North-South high-level political and military talks.

He proposed to the South side to discuss and resolve the problem of stop to the "Team Spirit-90" joint war game before entering into a debate on the working procedures.

In this connection, he urged the South side to take a step to stop at once the "Team Spirit-90" joint military exercises, unconditionally and immediately withdraw the U.S. troops and military operational equipment shipped into the territory of the Korean peninsula for the exercises and, in case of staging military exercises of minimum scale, to take a measure to stage them only with the South Korean Army, not allowing the participation of any foreign force.

While talking about "reunifying" the country through "reconciliation and cooperation", the South side, in actuality, completely shunned a fundamental step to realize it.

The South side even behaved impudently, carping on us to shift the responsibility for the skidding of the talks on to us, claiming that there is "no concrete wall" in the area of the South side and the "Team Spirit" is "a matter outside the talks".

Refuting this, our side declared that the concrete wall which really exists in the area South of the military demarcation line is the barrier of division, not an "anti-tank set-up".

Our side said that the South side's slander of our proposal for consultative meeting as "a strategy of united front" is no more than a pretext of the South Korean authorities to justify their claim for "unified channel of dialogue".

When the South side committed a provocative act, speaking ill of our superior socialist system of chuche, our side denounced this as a jargon which could be spun out only by a band of traitors who try to live in the embrace of outside forces.

Stating that the talks were skidding without progress today because of the unjust attitude and stand of the South side toward the talks, Paek Nam-chun urged the South side to make a deeper study of our three proposals on the stop to the "Team Spirit-90" joint military exercises and make an affirmative reply at the next round of the talks.

It was decided to hold the 7th round of the preliminary talks on March 7 on the assumption that the South side would comply with our demand for a step to give up the "Team Spirit 90" war game.

The head of our side gave a news briefing at the end of the talks.

Further Reportage on DPRK-SRV Relations

Anniversary Celebrated

SK3001222990 Pyongyang KCNA in English 1522 GMT 30 Jan 90

[Text] Pyongyang January 30 (KCNA)—The Foreign Ministry arranged a film show and cocktail party Tuesday on the 40th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Socialist Republic of Vietnam.

Present there were Vice-Minister of Foreign Affairs Choe Su-hon and other officials concerned. Vietnamese Ambassador to Korea Nguyen Van Trong and his embassy officials were invited there.

The attendants appreciated the Korean feature film "Order No. 027". It was followed by a cocktail party.

Speeches were exchanged at the cocktail party which proceeded in a friendly atmosphere.

Meeting Marks Relations

SK0102003690 Pyongyang KCNA in English 2312 GMT 31 Jan 90

[Text] Pyongyang January 31 (KCNA)—A meeting was held here today to mark the 40th anniversary of the

establishment of diplomatic relations between the Democratic People's Republic of Korea and the Socialist Republic of Vietnam.

Present there were Kim Ki-yong, chairman of the Information Committee of the DPRK, Choe Su-hon, vice-minister of foreign affairs, and other officials.

Ambassador Nguyen Van Trong and officials of the Vietnamese Embassy here were invited.

Addressing the meeting, Yi Kwan-su, vice-chairman of the education commission and chairman of the Korea-Vietnam Friendship Association, said that the opening of diplomatic relations between the Democratic People's Republic of Korea and the Socialist Repubilc of Vietnam was an event of weighty significance in the development of friendly and cooperative relations between the two peoples.

Noting that these relations have old historical roots as they were personally provided by the great leader Comrade Kim Il-song and Comrade Ho Chi Minh respected by the Vietnamese people, he stated that these relations have grown stronger and developed in the past four decades in the common struggle against the imperialists' aggression and intervention and for peace and socialism.

The visit to our country by Comrade Vo Chi Cong, esteemed President of the State Council of the Socialist Republic of Vietnam, in September 1988, particularly the significant meeting between the great leader Comrade Kim Il-song and comrade President Vo Chi Cong marked an important milestone in developing the traditional relations of friendship and cooperation between the two peoples to a new, higher stage, he noted.

The fraternal Vietnamese people, under the leadership of the Communist Party, are now vigorously advancing along the road of socialism in hearty response to the decisions of the sixth congress of the party, he said, adding: Last year they, overcoming trials and difficulties, made great achievements in agricultural production and economic construction through their active drive to carry out the "three major economic plans" set forth by the party under the motto "Building strength through self-reliance".

He wished the Vietnamese people greater success in their future endeavours for the nation's socialist construction.

We will fight shoulder to shoulder with the fraternal Vietnamese people along the same road of struggle to frustrate the imperialists' anti-communist, anti-socialist moves and for peace and socialism, he stressed.

Ambassador Nguyen Van Trong spoke next.

Noting that the Vietnamese party and government and people support the just cause of the Korean people's struggle for national reunification and the reasonable reunification proposals put forward by the Korean party and government, he said that the new initiative taken by President Kim Il-song in his New Year address for this year to pull down the concrete wall and ensure free travel and full-scale open door between the North and the South enjoys broad support not only from the Korean and Vietnamese peoples but also from the world progressive people.

Recalling that the World Festival of Youth and Students was successfully held in Pyongyang last year for the first time in Asia, he continued:

The Korean people, upholding the New Year address of respected President Kim Il-song, are now energetically conducting the grand campaign for socialist construction and the struggle for the independent and peaceful reunification of the country and all out to implement the decisions of the 17th plenary meeting of the Sixth Central Committee of the Workers' Party of Korea.

He wished the fraternal Korean people greater success in their endeavours to carry out ahead of the set time the decisions of the sixth congress of the party and the Third Seven-Year Plan and the militant tasks for this year under the wise leadership of respected Comrade Kim Il-song and the dynamic guidance of Comrade Kim Chong-il.

We, he noted, greatly set store by the traditional relations of solidarity and friendship and cooperation between the Vietnamese and Korean peoples which were personally provided by respected President Ho Chi Minh and respected President Kim Il-song and have steadily developed on the basis of Marxism-Leninism and proletarian internationalism.

The party, government and people of Vietnam will continue to make efforts to strengthen and develop still further these traditional friendly relations in the interests of the two peoples and also in the interests of peace, democracy, national independence and socialism against imperialism.

Guinea Envoy Pays Farewell Call to Kim Il-song

SK0102101890 Pyongyang KCNA in English 1010 GMT 1 Feb 90

[Text] Pyongyang February 1 (KCNA)—The great leader President Kim Il-song today received Abdourahamane Sow, Guinean ambassador e.p. to Korea, who paid a farewell call on him.

Vice-premier and Foreign Minister Kim Yong-nam and an official of the Guinean Embassy here were present.

President Kim Il-song conversed with the ambassador.

Peace Delegation Leaves for Greece 1 Feb

SK0102102490 Pyongyang KCNA in English 1012 GMT 1 Feb 90

[Text] Pyongyang February 1 (KCNA)—A delegation of the Korean National Peace Committee led by Yi Myong-ho, chairman of the committee for cultural relations with

Foreign Countries and chairman of the KNPC, left here today by air to attend a meeting of the World Peace Council slated in Greece.

WPK Congratulates New Polish Socialist Leaders

SK3101054290 Pyongyang KCNA in English 0522 GMT 31 Jan 90

[Text] Pyongyang January 31 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings to Aleksander Kwasniewski, chairman of the Supreme Board, and Leszek Miller, general secretary of the Central Executive Committee, of the Social-Democracy of the Republic of Poland, on January 30.

The message says:

We congratulate you upon your election as chairman of the Supreme Board, and general secretary of the Central Executive Committee, of the Social-Democracy of the Republic of Poland.

Availing ourselves of this opportunity, we express the belief that the friendly and cooperative relations between our two parties will develop in favour of peace and socialism and wish you success in your responsible work.

PRC Paper Cited in Support of DPRK Position

SK3101103690 Pyongyang KCNA in English 1027 GMT 31 Jan 90

[Text] Pyongyang January 31 (KCNA)—The Chinese PEOPLE'S DAILY January 27 ran a commentary denouncing the heavy penalties forced upon Yim Su-kyong and Father Mun Kyu-hyon by the South Korean puppet clique and demanding their immediate and unconditional release.

Recalling that the South Korean puppet clique demanded heavy penalties for coed Yim and Father Mun at a recent "trial," the paper said this is one more act of the South Korean authorities in persecuting progressive patriotic personages and sabotaging the reunification of the north and the south of Korea.

Laudable was the spirit of Yim Su-kyong when she cried for reunification everywhere she went during the Pyongyang Festival for the cause of national reunification, the paper said, and asked: What kind of crime is it?

Asking how a few words about the reunification of the country uttered by a fragile girl and an ordinary religionist could be a "threat" to the security of South Korea, the paper said: In this connection, people cannot but ask if the South Korean authorities have real sincerity for the reunification of Korea.

Recalling that President Kim Il-song in his new year address proposed the removal of the concrete wall in the area South of the Military Demarcation Line and free travel and full-scale open door between the North and the South, the paper urged the South Korean authorities to release Yim Su-kyong and Mun Kyu-hyon immediately and unconditionally, if they have a real intention for the reunification of the country and agree to free travel and complete opening between the North and the South.

South Defector to North Holds News Conference

SK0102115590 Pyongyang KCNA in English 1024 GMT 1 Feb 90

[Text] Pyongyang February 1 (KCNA)—Yu Chong-kon, 30, a South Korean seaman who came over to the northern half of Korea some time ago, met with home and foreign reporters today at the People's Palace of Culture.

His birthplace is Kalhwa-ri, Kohyon-myon, Namhae county, South Kyongsang Province.

Explaining the motive of his coming over to the North, he said he learned about the society of the North and began to long for it while participating in labour disputes, strikes and demonstrations in protest against the corrupt and ailing oppressive society of the South and the military dictators subservient to the United States and holding meetings with those concerned with the labour movement and engaging himself in underground circle activity.

He said that after No Tae-u grabbed the power of the military dictatorship, he could not live under its oppression any longer and he made up his mind to come over to the North with the intention to tell the entire fellow countrymen and the world what a dependent and tyrannical dictatorial society the South is and what an ailing society it is and thus contribute to national reunification.

He said he became a seaman working overseas in order to come over to the North and, while engaging himself in fishing in South America, he found an opportunity to come to the North towards the end of last year.

Recalling that in the course of meeting with labour unionists he could read books such as "History of the Struggle of Anti-Japanese Guerrillas," "On the Chuche Idea" and "The Country Whose Master Is the People" and the novel "At the Foot of Mt. Paektu," he said:

The brilliant history of the great General Kim Il-song who defeated Japanese imperialism by organizing the anti-Japanese armed struggle and his glorious history in building a popular democratic society free from exploitation and oppression, a society where the working masses are equally well off, by enforcing democratic reforms in the North following the national liberation gave hope and courage to me who had been pessimistic about the world and made me ardently long for the North.

As I read more books about the chuche idea which was founded by the great General Kim Il-song and has been carried forward and developed by the dear leader Mr.

Kim Chong-il, I was deeply moved by its profound content and it helped me view the South Korean society from a new angle.

I think it is the requirement of the times and the desire of our nation to follow the chuche idea and the North where the chuche idea has been applied.

Branding the South Korean industry as an assembling industry and a contractor industry which, dependent on foreign capital, has to buy raw materials and major parts from foreign countries, he cited detailed facts to prove the dependency of the South Korean economy and its bankruptcy.

He said:

In the North I saw even soldiers mobilized in large-scale construction including housing construction and this convinces me that "threat from the North" over which the South Korean rulers raise a shrill cry is a sheer lie.

The North today and its bright future cannot be dissociated from respected President Kim Il-song who waged the bloody anti-Japanese revolutionary struggle to achieve the national liberation and has built up a genuine democratic society for the working people in the North and from the dear leader Mr. Kim Chong-il who has shaped excellent policies and given wise leadership as required by the chuche idea.

After coming over to the North I have realized that it is only too natural for the people here to look up to and hold in high esteem respected President Kim Il-song and the dear leader Mr. Kim Chong-il and that it is the greatest pride and honour of our nation to uphold their great leadership, stressed Yu Chong-kon.

'Full Text' of Kim Il-song's 1958 Speech

SK3101043690 Pyongyang KCNA in English 0413 GMT 31 Jan 90

[President Kim Il-song's Work "On the Tasks of the Youth in the Building of Socialism"—KCNA headline]

[Text] Pyongyang January 31 (KCNA)—NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, today carries the full text of "On the Tasks of the Youth in the Building of Socialism," the speech delivered by the great leader president Kim Il-song at the national meeting of young builders of socialism on March 19, 1958.

In the work, President Kim Il-song says:

Reared and trained by the Workers' Party of Korea our youth always struggle courageously, in hearty response to the party's call, for our people's welfare and national prosperity both during the war and in the postwar years.

Our splendid young people displayed unparalleled heroism and bravery in the hard-fought fatherland liberation war against the invasion of the U.S. imperialists and the Syngman Rhee clique; they fought at the cost of their precious lives to defend every inch of their land, every height and accomplished feats which will go down in the history of the country.

In order to make a beautiful and blissful land of the country they had defended with their life's blood, our youth displayed great labour enthusiasm and every creative initiative in the struggle for the postwar reconstruction of the national economy.

Our country has now laid the foundation of a splendid socialist industry and has nearly completed socialist transformation in the rural areas, thereby creating conditions for the building of a more beautiful, free and happy socialist society. All this is because the youth, dependable helpmates of our party, stand firmly in the factories and farm villages and on the defense line.

In order to reunify our country peacefully, the third congress of our party put forward the revolutionary task of successfully building socialism in the northern half of our republic, thus further developing the politics, economy and culture of the republic and turning the democratic base of the northern half into a decisive force to achieve national reunification and independence.

The recent conference of the party discussed the first five-year plan drafted in accordance with this revolutionary task.

The basic objectives of the First Five-Year Plan are to further strengthen the economic foundation of socialism in the northern half of the republic and solve in the main the problems of food, clothing and housing for the people. During the plan we should lay the foundation for socialist industrialization, complete the formation of agricultural cooperatives, further strengthen the cooperative economy organizationally and economically, and at the same time, fortify the socialist economic sector in all fields. This is required by the law governing the economic development in our country.

In order to carry out these historic tasks, we should continue to adhere to the line of ensuring the priority growth of heavy industry while at the same time developing light industry and agriculture as outlined by our party immediately after the ceasefire, and pay close attention to the proper adjustment of economic construction and the improvement of the people's living conditions.

If we successfully carry out the huge tasks set by the five-year plan, our country will acquire the basis of an independent industry with its heavy and light industries and a developed agriculture capable of basically averting the damage of natural calamities.

We must, and can, accomplish these great objectives.

We have a beautiful country and a wealth of resources in the bowels of the earth. Our people hold the reins of power and have an advanced socialist industry and a

cooperative socialist agriculture. We have a Marxist-Leninist party seasoned in arduous struggle and a brave, industrious and talented people led by the party and rallied closely around it.

Our youth should devote all their energies and talents to carrying out their assignments inspired with a great hope for the future and a firm confidence in victory.

Noting that our youth are entrusted with great responsibilities in achieving the magnificent goal set by our party, President Kim Il-song says:

I am going to dwell on some of the tasks confronting you.

First, in order to fulfil the first five-year plan all our young men and women should work more actively to carry out their assignments in all spheres of the national economy. What we are now creating and building by the sweat of our brows is all intended for the youth's future happiness and the prosperity of generations to come.

The young people should be fearless in any work at any time, take the lead in the struggle to overcome hardships, and be brave in creating the new and discarding the old as befitting future masters.

They should become the most dependable workers of our party in the revolutionary struggle and staunch builders of socialism.

We should usher in a bright new age for ourselves. We have already embarked on the road of opening up a new age. We have achieved considerable successes so far in working out a new, socialist era.

The ranks of fine socialist builders have no room for old-type, degenerate people who hate to work, live fast and do harm to the state and society like parasites.

In order to be youth of a new type with noble socialist characters the young people should acquire a new moral code whereby they enjoy work and participate actively in socialist construction, carrying out their assignments with credit.

Second, the young people should master new techniques and act as pioneers in disseminating advanced technology.

When others were carrying out the technical revolution and building a modern industry, our forefathers indulged in telling old tales and reciting poems, not knowing how the times were changing. That was why our country fell behind the civilized world and, in the long run, perished.

We should catch up as soon as possible with the technologically advanced countries. At present the further development of industry, agriculture and all other branches of our national economy depends decisively on technological progress.

The youth should fight conservatism that hampers technological progress in all fields of the national economy, and endeavour to actively introduce and disseminate new techniques.

It is the sacred duty of young people to learn new techniques. Our youth should all acquire more than one technique and master the techniques and know-hows indispensable for carrying out their assigned tasks.

Third, our young people should have a strong spirit of socialist patriotism.

Our young men and women should hold dear the socialist gains won by our people at the cost of sweat and blood and firmly defend them against the enemy's encroachment.

In particular, we are standing face to face with the enemy. The more successfully our socialist construction progresses, the more viciously the U.S. imperialists occupying South Korea and the traitorous Syngman Rhee clique, their stooge, manoeuvre to undermine the building of socialism in the northern half.

Our people and all the youth must always be sharply on the alert against this manoeuvring of the enemy, combat all saboteurs and subversive elements and give them no chance to gain a foothold.

In order to arm themselves firmly with socialist patriotism, our young men and women should have a clear understanding of the true nature of the exploiting system and the superiority of the socialist system above all else.

Our youth who have grown up since liberation have no first-hand knowledge of the cruel exploitation by the landlords and capitalists. They must know how the landlords and capitalists exploited our workers and peasants in the past and how cruelly U.S. imperialist monopoly capital and the landlords and capitalists are now exploiting the working people in South Korea.

Socialist society is a society which does away with all forms of exploitation for good. Herein lies the essential characteristic of the socialist system totally different from all societies of the exploiting classes.

In our country power is in the hands of the people and the basic means of production, which have been socialized, are used in the interests of all the people, while the exploiting system has been abolished on the whole in town and countryside. We are struggling to get rid of all exploitation for good.

The youth should understand all this clearly. Only then can they hate the exploiting classes and exploiting system, fight bravely against the enemies who try to restore them in our country, firmly safeguard the socialist gains, and vigorously advance towards the complete triumph of socialism.

Our socialist patriotism categorically negates national nihilism.

The young people should study our people's long history and inherit their priceless revolutionary traditions. They should treasure and love everything that is progressive in our country and enhance their sense of national pride.

Socialist patriotism has nothing in common with nationalism or national chauvinism. Socialism is internationalistic in essence. One cannot love one's country unless one becomes a genuine internationalist, and one cannot be true to proletarian internationalism if one fails to be a staunch patriot.

The youth should endeavour to further cement friendship and unity with the peoples of socialist states and strengthen solidarity with progressive people throughout the world.

All our youth should be optimistic about victory, take a bright view of the future, and possess a noble moral quality as men of a new type.

Fourth, the youth should play the vanguard role in the struggle to remould the thinking of all the working people along socialist lines and to push ahead with the cultural revolution in town and country.

The young men and women should endeavour to positively spread the knowledge of advanced science and technology among broad sections of the working people and raise their general intellectual level. Our youth should not only make efforts to acquire the knowledge of the secondary-school level or above in the near future, but also actively participate in adult education so that all the working people may obtain the knowledge of the primary- or junior- secondary-school level or higher.

Meanwhile, the youth should lead the struggle to eradicate everything backward remaining in the minds of the working people and correct their old customs in town and countryside. They should intensify socialist education among the working people, thus eliminating the remnants of feudal and capitalist ideologies and equipping them with the collectivist spirit of helping one another and the spirit of valuing and taking good care of common property.

The Democratic Youth League [DYL] and the young people affiliated with it are the honourable reserves and helpmates of our party.

As in the past, so in the future, too, all young men and women should safeguard our party's unity and cohesion and resolutely struggle against all anti-party, counter-revolutionary factionalists.

Dyl organizations should close their ranks further still, mobilize young people to fulfil party policy and train them to be staunch builders of socialism. They should promote large numbers of progressive elements in their ranks so as to constantly replenish our party force.

I hope that all our youth, rallied more closely around the Central Committee of our party, will bravely overcome all difficulties and carry out their tasks with credit.

Meeting of Party Ideological Workers Held

SK3001223190 Pyongyang KCNA in English 1513 GMT 30 Jan 90

[Text] Pyongyang January 30 (KCNA)—A national meeting of party ideological workers was held at the People's Palace of Culture over January 29-30.

The meeting discussed tasks facing the party ideological workers in effecting a great revolutionary upsurge in socialist construction, upholding the New Year address of the great leader President Kim Il-song and the decisions of the 17th Plenary Meeting of the 6th Central Committee of the Workers' Party of Korea.

Kim Ki-nam, director of a department of the WPK Central Committee, made a report and many participants in the meeting took the floor.

The reporter and speakers noted that the great leader in his New Year address and at the 17th Plenary Meeting of the 6th Party Central Committee summed up the proud achievements made by our people in the revolution and construction in the 1980s, set forth the goals of socialist construction for the 1990s and militant tasks of our party and people for this year and called the whole party and the entire people to a new struggle and feats.

Saying the ideological workers are faced with very heavy yet honorable tasks in this year's meaningful struggle, they stressed the need for all the functionaries to become the standard-bearers of the ranks and vanguards of the struggle and carry on ideological work in a go-ahead manner, upholding the party's intention to bring about a great revolutionary upsurge in socialist construction once again through a powerful drive for increased production and economy by means of rousing the idea of the masses.

They called for laying stress on the educational work to foster confidence in victory and revolutionary optimism and give full play to the revolutionary spirit of self-reliance and hard struggle among the party members and other working people and for strengthening education in the chuche idea and thus dynamically pushing ahead the grand forward movement this year, backing it with ideological education.

They said that a vigorous ideological work should be conducted to convince all the party members and other working people of the validity and consistency of our party's policies, of the fact that our traditions are the best and our ideology is the best, of the true advantages of our socialist system, a solid and viable socialist system of our own peculiar style, and to induce the functionaries to take the van in the grand forward movement with a high degree of revolutionary zeal and responsibility and organize and command the drive forcefully.

They discussed measures to launch into political propaganda and agitation for increased production and economy audaciously so as to effect a great revolutionary upsurge in socialist construction once again.

They underscored the need to conduct agitation for increased production and economy in various forms and methods and step up the activities of art propaganda teams and mobile art agitation teams, while remarkably improving the propaganda through the press and creation of literary and art works.

If the tasks facing the ideological domain are to be carried out successfully, it is necessary to elevate the sense of responsibility and role of functionaries in this domain, they said, adding: All the functionaries must work and live in a way full of stamina and ardor, with a high degree of revolutionary zeal and militancy.

Pyongyang House Construction Accomplishments

SK3101104090 Pyongyang KCNA in English
1033 GMT 31 Jan 90

[Text] Pyongyang January 31 (KCNA)—Calcium silicate brick houses for more than 4,300 families have been completed in the capital city of Pyongyang.

As a result, over 50 new villages and residential quarters of those houses have made their appearance in rural areas of Mangyongdae, Sunan and other peripheral districts and counties of the municipality and at the approach to Kwangbok Street.

All the villagers of the Taekam cooperative farm in Sunan District, the Kumchon cooperative farm in Mangyongdae district and many other farms on the outskirts moved to the modernly-built new houses.

Those calcium silicate brick houses were designed in two styles, urban and rural. Each flat of rural style has two or three living rooms, warehouses, a bathroom and a toilet. And it has verandas and the garret is available for storing agricultural produce.

All the houses are heated by a central heating network.

The flats of urban style, each with two or three living rooms, are well furnished to be convenient for urban life.

2,000 more calcium silicate brick houses will be completed in Pyongyang by mid-April.

Construction, Production Feats Reported

SK3101104890 Pyongyang KCNA in English
1037 GMT 31 Jan 90

[Text] Pyongyang January 31 (KCNA)—A dynamic drive to create a new "speed of the '90s" is sweeping Korea, bringing significant results in production and construction.

The northern district general bureau of coal industry has lifted the daily results 50 percent in tunnelling and 40 percent in coal production above the daily average in the same period last year.

The Tokchon coal mine has doubled the speed of tunnelling and coal output as against those in December last year.

The Unryul and Chaeryong Mines under the General Bureau of Ferrous Metal Mining Industry of the Ministry of Metal Industry are effecting great innovations in the production of iron ores by increasing the amount of the removal of scraped earth 1.5 to 2 times as against last year.

The industrial establishments under the Ministry of Chemical Industry have boosted the output of staple fibre, rayon yarn and vinalon. The Sinuiju Chemical fibre complex has topped the peak record of daily output 30 percent.

The builders of the Sunchon Vinalon Complex are bringing about a new upsurge in the second-stage construction by doubling the construction speed as against the end of last year.

New construction speed has been developed from the beginning of the year by the builders of hydraulic and thermal power stations, the two million ton-capacity steel works and flats for 50,000 families in Pyongyang.

Transport workers under the Ministry of Railways are fully meeting the increasing demand for carriage by transporting 40,000 more tons of freight a day than the daily average in the fourth quarter of last year.

The powerful drive to create a new "speed of the '90s" involves the light industry, the power industry, agriculture and other domains of the national economy.

Farming Preparations Accelerated in Countryside

SK3001223290 Pyongyang KCNA in English
1510 GMT 30 Jan 90

[Text] Pyongyang January 30 (KCNA)—Preparations for the new year's farming are being energetically accelerated in the countryside of Korea.

The cooperative farms have already secured 100 percent of home-made compost for this year's farming and carried more than a half of it out to the paddy and non-paddy fields.

Over 82,000 tons of compost are taken out to the fields every day in South Hwanghae Province. In the countryside of north Hwanghae Province the output of hukposan fertilizer and slaked lime has trebled as against the corresponding period last year.

More than 60 percent of the materials for cold-beds of rice seedlings have been secured in the countryside.

New achievements are reported from South Hamgyong and Yanggang provinces and other parts of the country in the cultivation of new land and land rezoning.

The repair and readjustment of tractors and trailing farm machines are being stepped up at the final stage.

South Korea

South Rejects North's Proposal for Meeting

SK0102060690 Seoul YONHAP in English 0606 GMT 1 Feb 90

[Text] Seoul, Feb. 1 (YONHAP)—South Korea rejected a North Korean proposal for a meeting of government authorities and party leaders Thursday, urging that North Korea "show sincerity" in existing dialogue and accept the South's call for summit talks.

In a letter to Yon Hyong-muk, his North Korean counterpart, Prime Minister Kang Yong-hun said the proposal contained nothing that was not contained in previous calls for political negotiations, a format the North has favored.

Kang's letter, conveyed to Yon through the Panmunjom truce village, was South Korea's official response to a letter received from North Korea on Jan. 13.

Copies of the North's letter were sent to President No Tae-u, Kang, and party heads Kim Tae-chung, Kim Yong-sam and Kim Chong-pil.

Saying some things should be discussed by the authorities of the two Koreas and other things by the parties of the two sides, Kang claimed it was difficult to think Pyongyang's attempt to mix government and party leaders in one forum, ignoring their different roles and responsibilities.

Kang called on Pyongyang to be sincere in the ongoing dialogue and challenged it to accept the call for an inter-Korean summit as soon as possible if it really wants free travel and full opening of the border.

The Jan. 13 letter proposed a meeting of government and party leaders as a follow-up to North Korean leader Kim Il-song's new year message.

To realize free travel and full opening, agreements on such basic issues as free passage, communications and economic cooperation and exchange should be reached by the responsible authorities of the two Koreas, Kang said.

He pointed out that even letters and telephone calls cannot be exchanged between the two sides at present and cross-border visits to their home towns by displaced Koreans are impossible under the current situation.

North, South Engage in 'War of Words'

SK0102081490 Seoul YONHAP in English 0733 GMT 1 Feb 90

[by Pak Chung-chan]

[Text] Seoul, Feb. 1 (YONHAP)—It is that season of the year again when South and North Korea engage in a stupid war of words over projects to advance the aspirations of all Koreans for reunification of their fatherland.

In contrast with other seasons, dialogue between the two Koreas at the turn of the year bears an unwanted resemblance to the mad hatter's tea party from "Alice in Wonderland."

This year is no exception. The signs were evident in the latest talks: the sixth contact to arrange an inter-Korean prime ministers' conference on Wednesday, the 10th contact for an inter-Korean parliamentary conference on Jan. 24, and the eighth contact to form a single team for the Asian Games on Jan. 29.

At the successive talks, North Korean delegates invariably demanded that the "Team Spirit War Games," as they called the annual South Korean-U.S. defensive military drill due to end in late March, be halted before they would proceed to discussion of topics on the agenda.

If there is anything new this year in North Korea's behaviour, it is the use of two points lifted from "Great Leader" Kim Il-song's New Year message.

He called on South Korea to tear down "the concrete wall" in the southern area of the demilitarized zone that divides the Korean peninsula and proposed a meeting of authorities and leaders of political parties to discuss "a total opening and free travel."

There is no wall so the South presumes an anti-tank barrier must be what Kim meant when made his emotive appeal with its misleading allusion to the opening of the Berlin Wall late last year.

The South Korean Army, in an unusual gesture, last month opened the buffer zone to domestic and foreign journalists to show them there is no wall and that the anti-tank barriers pose no problem for free travel since they are sparsely located at points North Korean tanks would use in the event of an invasion.

North Korea watchers here say Pyongyang's repeated call for discussion of "urgent agendas" is designed to slow the pace of South-North Korean dialogue because of the changing international environment.

They predict Pyongyang will be unwilling to speed up the talks for the time being, and possibly until the end of June.

Dialogue made such strides in the latter half of 1989 that the long-awaited reunion of separated families seemed imminent, as usual though, at around the time of the upheavals in East Europe, everything fell apart at the last moment.

The preparatory meeting for the inter-Korean prime ministers' conference, in another example, is close to success because both sides have only to document the agenda of the conference.

If they agree on which should come first in phrasing the agenda, either "an issue of multi-faceted exchange and cooperation" or "an issue of solving the situation of

political and military confrontation," the main conference is expected to be held in Seoul as early as March to discuss pending issues.

The intention to stall the progress of those meetings is evident since the North has proposed free travel between South and North Korea, an impossibility given that the two sides failed to arrange even the reunion of a limited number of relatives regardless of which side is at fault.

Analysts say North Korea is sensitive to the whirlwind change sweeping Eastern Europe and its influence on Pyongyang's Asian allies, such as Mongolia and Vietnam.

Progress in inter-Korean dialogue would be construed as an attempt to stir up North Korea by its leaders, who are stressing unity and are sticking to Kim's strict version of socialism.

Development in the discussion of reunification between the two Koreas, in one way or another, will result in a change of status quo on the Korean peninsula, which Kim would hardly accept because it could be a threat to his leadership.

The block in sports talks, also apparently on the verge of success, could be attributable to the fear of opening the hardline communist state and exchanging athletes between Seoul and Pyongyang to select the squad to take part in the Beijing Asian Games in September.

North Korea is expected to resort to verbal attacks on the South if its delegations appear at the conference table before the Team Spirit exercise is completed in March.

Therefore, no movement in inter-Korean dialogue is likely until April, by which time the North Korean leaders should have decided their course of action in response to the wave of democratic reforms affecting their traditional allies.

North Proposes Establishing EC Relations

SK0102091390 Seoul CHUNGANG ILBO in Korean 1 Feb 90 p 2

[YONHAP report from Brussels]

[Text] It was learned that North Korea recently proposed to establish diplomatic relations with the EC.

An official of the EC Executive Committee confirmed that the North Korean general mission in Paris recently telephoned the EC to unofficially notify them that they want to hold discussions with the EC on the issue of establishing diplomatic relations.

This official refused to reveal whether this issue is being officially examined or if the North Korean side later officially proposed to hold discussions on this issue through an official document. He also stated that the EC will take prudent approaches, including prior consultations with the Korean Government.

Mr (Wegtro), spokesman for the vice-chairman in charge of foreign relations of the EC Executive Committee, said that currently this issue is not being examined officially.

No Tae-u on Economic Cooperation With North

SK3101125090 Seoul YONHAP in English 1244 GMT 31 Jan 90

[Text] Seoul, Jan. 31 (YONHAP)—President No Tae-u said Wednesday that Seoul is willing to discuss with Pyongyang "anything realizable" for the promotion of economic cooperation between the two Koreas.

Speaking at a meeting with four "common citizens" at the request of the SEGYE TIMES on the occasion of the vernacular daily's first anniversary, No said he hoped the inter-Korean economic talks, which have been suspended since December 1985, be resumed for discussing various issues concerning economic cooperation between the two sides.

When asked whether his government is ready to pay off foreign debts in place of North Korea or offer economic assistance to Pyongyang, the South Korean President said, "the South-North economic cooperation should be pursued on the basis of mutual respect of each other's pride.

"What I can say at this moment is that we are willing to discuss with the North Korean side anything realizable (to promote economic cooperation) and if North Korea accepts (our willingness), we would not spare our best cooperation."

Asked to explain about the interrelation between his recent decision to merge his party with two opposition parties and his North Korea policy, No said that the merger was inevitable for cementing political stability in the South which he said is needed for launching efforts to improve relations with North Korea.

The chief executive said, "If we pursue our efforts to improve inter-Korean relations with strengthened unity, it will cause to bring about an epoch-making change in the attitudes of North Korea in the not distant future."

He said the merger was necessary to beef up Seoul's unity to cope with a possible drastic change in North Korea. "We have seen over the past several months the communist regimes in the East European countries falling one by one. No one cannot tell when North Korea would face such a big tide of change," he added.

No said, "North Korea will not be able to remain as 'an isolated island in the sea of changes.'"

No also reiterated his determination to promote South-North cooperation by saying, "it is our firm intention and policy to open and widen human and material exchanges and cooperation."

Rev Mun Must Serve Sentence Despite Illness

SK3101020890 Seoul THE KOREA HERALD in English 31 Jan 90 p 3

[Text] Appeals court judges ruled yesterday that the Rev. Mun Ik-hwan, 71, serving a 10-year sentence for making an unauthorized tour of Communist north Korea, must remain in prison since his illness is not life threatening.

The judges of the Seoul Appellate Court also said Mun's advanced age cannot be a reason for hospitalization and his health can be cared for at medical facilities in the jail.

It was not necessarily a formal rejection of his defense lawyers' request for release and the bench did not rule out a reversal of the decision if there is a severe deterioration of Mun's health, a judge said.

Doctors at Seoul National University Hospital, where Mun recently had a checkup, said that in their medical report to the court they warned that Mun might develop critical complications if he exercises hard or suffers a psychological shock.

They said Mun has hypothyroidism and high blood pressure and is in need of constant attention.

Mun was given a 10-year sentence in October last year by the Seoul District Criminal Court for violating the National Security Law by visiting Pyongyang without government approval. Mun appealed and his case is now pending before the appeals court.

Literary Association Seeks Contact With North

SK3101015890 Seoul THE KOREA HERALD in English 31 Jan 90 p 9

[Text] The Korean Literary Association plans to focus on pursuing the literary exchange between south and north Korea in the 1990s.

The association also asked the National Unification Board last Wednesday for official opproval to contact north Korean residents.

In a regular meeting on Dec. 20, the association members agreed to invite north Korean Writers Confederation President Paek In-chun and other members to the inaugural Overseas Literary Symposium to be held in Los Angeles in August.

Earlier last year, the government didn't permit the preliminary meeting of the south-north writers meeting at Panmunjom proposed by the Association of Writers for National Literature, a dissident group.

Painter Sentenced for Role in Pyongyang Festival

SK3101021890 Seoul THE KOREA HERALD in English 31 Jan 90 p 2

[Text] A Seoul court sentenced dissident painter Hong Song-tam to seven years in prison yesterday for illegally producing and sending slides of a large painting to North Korea to be displayed at the world youth festival last summer.

Hong, 35, co-chairman of the dissident painters group "Minminyon," was sentenced by presiding Judge Hwang Sang-hyon at the Seoul District Criminal Court.

The accused was found guilty of conducting espionage by secretly sending slides of a painting titled "History of the National Liberation Movement" as well as publications on the political and military situation in South Korea.

The judge, however, exonerated Hong from charges that he contacted the alleged North Korean agents, Song Nak-yong and Kim Pyong-won, in West Germany last summer to receive North Korean books and to consult on his participation in the festival.

The defendant's testimony that he met the alleged North Korean agents must not be presented as evidence because it was made in the absence of his lawyers as guaranteed by the Constitution, the judge stated.

Judge Hwang noted that the accused denied the charge in his hearings.

The judge also dropped the charge that the painter aided North Korea by sending to the Communist north two books concerning the ancient Korean history, saying the publications are purely academic ones.

Hong was arrested last Aug. 3 by the Agency for National Security Planning on charges of producing and sending slides of a large painting to Pyongyang through dissident coed Yim Su-kyong, now jailed for her unauthorized trip to the north, to celebrate the 13th World Festival for Youth and Students.

Three other dissident painters who collaborated on the painting with Hong had been released on suspended prison terms late last December.

South Koreans are banned contact with the north without government permission.

Dailies Comment on U.S. Troop Reduction

SK0102065090

[Text] [Editorial Report] Seoul vernacular papers on 30 and 31 January carry editorials and an article on the U.S. troop reduction in the ROK which was made public by U.S. Defense Secretary Cheney in Washington on 30 January.

CHOSON ILBO on 30 January carries a 900-word editorial titled "The Significance of the Transfer of U.S. Troops." The editorial refers to U.S. Defense Secretary Cheney's Congressional speech in Washington on 30 January on closure of three of the five U.S. Air Force bases in the ROK effective by October this year and notes that "although we anticipated this development, it is still shocking now that we hear it." The editorial then expresses the suspicion that "this step taken by the U.S.

Government could be U.S. reaction to the strong anti-U.S. sentiment that has increased in the ROK, without parallel in the world, and to the ROK Government's active nordpolitik, also unprecedented in the world." The editorial notes that "despite U.S. assistance, including that of the military, for the success of the Seoul Olympics" anti-U.S. sentiment has increased in the ROK, "and this, together with the ROK Government's active peace and diplomatic efforts for nordpolitik must have diluted the significance of the U.S. troops in the ROK." The editorial questions why Secretary Cheney had to announce closure of its bases in the ROK at this time despite the fact that he was supposed to visit the ROK, Japan, and the Philippines starting 14 February. The editorial says that "the United States may be attaching greater importance to discussion with North Korea than with the ROK Government in connection with the closure of its bases and reduction of its ground forces in the ROK." The editorial notes that the United States can negotiate with any country without prior consultation with its ally if that serves its interests, and notes that "the ROK may have provided the United States with reason for it to do so." The editorial notes that "the fate of the ROK is closely connected with U.S. troops in the ROK," and concludes that "If North Korea negotiates with the United States without our participation and U.S. bases are closed and its troops are reduced as a result of it, we should be very worried."

HANGUK ILBO on 31 January carries an 800-word editorial titled "The U.S. Troop Reduction That Has Become A Reality," notes the U.S. Defense Department announced a U.S. troop reduction of 2,000 noncombat personnel in the ROK resulting from closure of its three Air Force bases in the ROK and says that "this results from the reapprochement-oriented U.S. budget that will little affect the substantial combat strength of U.S. troops in the ROK," and also notes, however, that "this 'symbolic' reduction forebodes that a substantial reduction of U.S. troops in the ROK will be forthcoming." The editorial goes on to say that "although the reduction of U.S. troops in the ROK can be a new challenge to us at the present time when Kim Il-song is still alive in the North, it can also be a double-edged sword that can give us a new opportunity as well. It means that we will have to share an increased defense burden militarily and that we will be in a different position politically and internationally." The editorial concludes that the "Time has come when we must gradually reformulate our fixed concept of the U.S. troops in the ROK in light of the new situation developing."

SEOUL SINMUN on 31 January carries an 800-word editorial titled "The Strength and Wisdom to Live in An Era of Arms Reduction." It notes that "the partial reduction of U.S. troops in the ROK was anticipated, and it is a reality that should be understood from the new perspective in the ROK-U.S. relations and from the trend of the times characterized by international rapproachement. In this regard, bilateral relations are now at an important turning point in the traditional field of military cooperation as well." The editorial notes the background of troop reduction connected with the U.S. budget deficit, the accelerating trend towards arms reduction by the United States and the Soviet Union, notes the need for the ROK's increased share in defense spendings in the newly developing ROK-U.S. relations, stresses the importance of maintaining the military balance on the Korean peninsula, and notes that the presence of U.S. troops in the ROK itself is a war-deterrent. It says, however, that this is done not only for the defense of the ROK, but also for its world strategy, particularly as a bridgehead to check the southward advance of Soviet military strength in Northeast Asia. Therefore, "the reduction of the U.S. troops should not be used only to increase the share of defense spending by the ROK." The editorial goes on to say that "The world now seems to be going in the direction of drastically reducing its military spending and we should understand the 'transfer' of U.S. troops in the ROK as part of its state strategy in such a trend, although it is so far only a partial reduction of the tactical Air Force area. The ROK now contributes to the defense of the security of Northeast Asia with its national strength and as an allied force with the United States. This strength enables us to effectively deal with the North-South issue as well. In all our future debate and discussion on the issue of U.S. troops in the ROK, we ought to make our way well into the 1990's with ample confidence while watching closely."

CHOSON ILBO on 30 January, page 3, carried a 1,000-word editorial titled "The Military Balance Should Not Be Destroyed—U.S. Troop Reduction Should Be Conducted Keeping in Step With Relaxation of Tensions." Noting that the U.S. troop reduction is approaching as a "unavoidable reality," the editorial hopes for the following conditions: First, the Korean peninsula, because of its "peculiarity" and "quasi-operational status" caused by constant military confrontation and North Korea's deployment of most of its troops along the Armistice Line, should not be treated "uniformly" like other areas concerning the issue of closing the U.S. bases overseas. Second, for troop reduction in the South, political tension between North and South Korea should be relaxed first because "unilateral military reduction" may cause "misjudgment" by the North. The paper then stresses that the reduced "tactical capability" of the U.S. troops to be caused by the troop reduction should be "supplemented" by "strengthening" their "strategic posture" and reasonable adjustments should be made on the "time" and "speed" of U.S. troop withdrawal, hopefully being completed after 1995 when South Korea, with its own military power, can "repel" North Korea's military invasion. Warning that the swift withdrawal of U.S. troops from Asia may leave "a vacuum of military power" which the other big powers in this area may attempt to "fill," the editorial concludes by emphasizing the "phased withdrawal" of U.S. troops lest Asia lose its "stability."

In its 30 January issue, page 2, KYONGHYANG SINMUN published a 1,000-word editorial headlined

"U.S. Troop Reduction Has Come as Reality." Noting that the U.S. side's step for integration and closure of U.S. Air Force bases in South Korea is considered one of the measures taken according to the "necessity" for cutting the defense budget without going through "concrete consultations" between the two countries, the paper asks the "truth" about various rumors about troop withdrawal spread by the U.S. side with the approach of the visit of U.S. Defense Secretary to Korea, referring to the agreement made between Korea and the United States during the annual security consultative conference held in July last year that "the U.S. troops will remain as long the governments and peoples of the two countries want." Saying that the U.S. troops in South Korea played the role of "making up" for the "inferiority" of the Republic of Korea [ROK] army relative to North Korean military power, the editorial expresses worries about the "negative waves" to be expected from the U.S. Air Force reduction. The paper then stresses measures to prevent a military crash on the Korean peninsula and ensuring "alternative military power" as "preconditions" for U.S troop withdrawal. The paper concludes by emphasizing our efforts to strengthen our own combat capabilities so as to "fill" the "vacuum" resulting from the U.S. troop withdrawal.

CHOSON ILBO in its 31 January edition, page 2, carries a 1,500-word article by its reporter Kim Hyo-chae commenting on the "aftereffect" of drastic reduction of U.S. overseas military bases. Concerning the people's doubts about whether the U.S. troop reduction will "instigate" North Korea's "agressive nature" by deepening the "imbalance" in military power between the North and the South or will contribute to relaxing tensions, the article points out that unilateral withdrawal without "reinforcing" the ROK Army's ability to deter war may touch off an "unnecessary arms race" between the North and the South. Referring to the Defense Ministry's announcement that U.S. troop withdrawal will "deepen" the imbalance in military power between the North and the South, it says the building of military power of the South is "urgent." The paper also refers to a "logic analysis" that the North Korean regime's will to communize the South has not changed, noting that North Korea will clearly see the imbalance in military power between the North and the South caused by the U.S. troop withdrawal as an "excellent opportunity" for communizing the South.

On the other hand, the article points out that some observers' feel that the reduction of U.S. troops in South Korea will "greatly contribute" to easing tension on the Korean peninsula. Such a view by these "optimists" is based on the theory stressing the end of the cold war era and the beginning of a new era of detente. The paper says that North Korea will lose its "justification" to avoid dialogue with the South at a time when the U.S. troop withdrawal is "coming in sight."

The article concludes by pointing to the views of many experts in military affairs that the reduction of U.S. troops in South Korea will, in the short run, work as a "burden" in bearing the defense cost for building military power, but in the long run will have more "positive aspects" in creating an atmosphere favorable to North-South dialogue.

Editorial Views Reductions

SK0102014590 Seoul TONG-A ILBO in Korean 30 Jan 90 p 2

[Editorial: "Cutback of U.S. Air Force Bases in Korea: We Must Look Squarely at the Reality When the Time Is Coming for Our Self-Reliant National Defense"]

[Text] The U.S. Defense Department announced that three U.S. Air Force bases out of five in Korea would be closed and only the remaining two—Osan and Kunsan bases—would be maintained. This is a symbolic step but still leads us to ponder over many things.

The explanation is clear. The U.S. decision might signal the beginning of a complete withdrawal of U.S. forces from Korea by the early 2000s. At the same time, this is certainly a harbinger presaging that we will have to squeeze our pockets, regardless of our desire, to take on the enormously heavy burden of a self-reliant national defense, at least until we achieve the nation's reunification

However, the question of reduction or withdrawal of the Korea-based U.S. forces is no longer a matter which can be settled by our approval or disapproval. This is because U.S. defense expenditures must be reduced to alleviate the tremendous financial deficit of the U.S. Administration. Accordingly, the situation developing before us is entirely different from that in Japan during the 1950's, when Japanese public opinion demanding the withdrawal of U.S. military bases from Japan could be used as a negotiating card with the United States. In this respect, the U.S. Administration's decision to close some of its bases in the countries where anti-American sentimentdemanding the withdrawal of U.S. military bases had been strong—Greece, the Philippines, and Korea—bears an important U.S. message.

We know that the United States and the Soviet Union are leading the world into a sharp turn towarddisarmament,entering anera of cooperation from one of confrontation. Nonetheless, in Asia, with the Korean peninsula in its center, an atmosphere of new detente has not ripened yet, dishearteningly. Thus, we are hoping that the withdrawal of U.S. forces from Korea be left undiscussed until such an atmosphere is created. We would like to reemphasize thisstand prior to U.S. Defense Secretary Cheney's visit to Korea and prior to the discussion of the reduction of U.S. ground troops from Korea to be actively conducted during his visit.

At the same time, the question of reducing U.S. forces in Korea should be kept abreast of the pace of the improvement of North-South relations, if the U.S. military presence in Korea is to deter North Korea's military

adventurism. This is because the military threat from the North has never weakened, to our best knowledge.

In particular, we witnessed the transformation of the Indo-Chinese peninsula into a disastrous situation following the U.S. troops' hurried departure from the Vietnamese war. That was a result of the self-centeredness of a major power. This is precisely the reason why we pay heed to the assertive U.S. rhetoric about the process of "consultation." If it is in name only and is practically a sort of notice, such a consultation is meaningless. The sharing of the defense expenditures for the U.S. forces in Korea is expected to be discussed in the course of ROK-U.S. consultation. For our part, of course, defense economics will have to be born in mind when suggesting an appropriate level forour share of the burden. The United States as well, however, should consider our economic situation and social strife.

The U.S. troops will eventually depart from this soil someday. However, if any veiled negotiation is conducted between the United States and North Korea to hasten the departure, this will not help plant peace on the Korean peninsula. Instead, the danger of a contradictory effect will be rather serious. This is precisely the reason why we pay heed to the U.S.-North Korean contacts held in Beijing. Meanwhile, on our part, we should exert diplomatic efforts to turn the security-oriented ROK-U.S. relations into relations of political partnership.

Being shocked at the question of the withdrawal of U.S. forces becoming a reality, and thereby being abruptly tempted to create a security-minded situation, is wrong from the very beginning. Still, an adequate diplomatic capability of developing security-oriented relations into political relations is essential toward the United States. At the same time, squarely looking at reality and pan-national determination and efforts are also essential. Only then can the security of the new era be guaranteed without U.S. troops.

Further Reportage on Three-Party Merger

DJP Dissolved at Convention

SK0102065090 Seoul YONHAP in English 0650 GMT 1 Feb 90

[Text] Seoul, Feb. 1 (YONHAP)—South Korea's ruling Democratic Justice Party (DJP) was dissolved Thursday, but will be reborn soon under another name as part of a new ruling party in alliance with two moderate opposition parties.

In a farewell party convention, some 6,000 party members voted to empower the DJP Central Executive Committee to take all decisions regarding preparation for the new government party, temporarily dubbed the Democratic Liberal Party.

Kim Yong-sam's Reunification Democratic Party, formerly Korea's second largest opposition party, took the same measure on Tuesday and the New Democratic Republican Party headed by Kim Chong-pil is scheduled to follow suit Feb. 5.

The three parties will hold a joint convention Feb. 9 to officially declare their merger and will complete legal enrollment procedures for the new party before Feb. 15.

The DJP was created nine years ago by former President Chon Tu-hwan when he was chief of the Defense Security Command so that he could engineer his eventual takeover of the presidency in the power vacuum left by the assassination of President Pak Chong-hui.

Lawmakers and party members who oppose the merger, directed by president No Tae-u, Chon's handpicked successor, were absent from the convention at the Korea Exhibition Center in southern Seoul as a sign of protest.

A three-point resolution adopted by the meeting called for efforts by those present to embody a new political culture, to champion liberal democracy and to contribute to democracy, prosperity and reunification of the Korean peninsula.

No, in an address read to the convention by DJP chairman Pak Tae-chun, said the decision by the two opposition groups to merge with the ruling party was a courageous one to build a great nation in the 21st century.

"We will open a new chapter of creative politics, putting an end to politics dissipating the people's energy," No said. "If we fail to revolutionize the four-party system based on regionalism, the continued political instability will create a national crisis and sink the nation into a mire."

Terming the merger a "glorious revolution," No said the period of confrontation between democratic and undemocratic forces has closed and the basis for seeing everything in terms of "black and white" has disappeared.

"With might stemming from grand unity, we will make headway to tear down the barrier between the South and North and move toward the realization of reunification," No said.

Unitary 'DJP' Leadership Expected

SK0102021890 Seoul THE KOREA TIMES in English 1 Feb 90 p 2

[Text] A "unitary leadership" is certain to be adopted for the new party to be founded through the merger of ruling party and two opposition groups led by Kim Yong-sam and Kim Chong-pil.

It means that President No Tae-u will have a firm grip on the nascent Democratic Liberal Party [DLP] after it is inaugurated through its national convention slated for May.

Until that time, President No and the two Kims will jointly represent the new conservative party, according to their agreement.

The ruling Democratic Justice Party [DJP] drafted an outline for the party charter, in which the DLP will be under the control of the party president, and submitted it to the 15-member preparatory committee for founding the new party.

A member of the DJP's contingent of the committee said that Kim Chong-pil's New Democratic Republican Party has agreed to the DJP's suggestion of "one-man leadership."

The DJP's plan to have President No represent the DLP appears to be designed to clear away worries from within the DJP that the new large party will be under the control of Kim Yong-sam. Senior DJP members have called for "institutional devices" to check Kim Yong-sam, who is likely to control the largest faction in the new party.

However, Kim Yong-sam's reunification Democratic Party is raising objections to the plan, asserting that Kim should be allowed to take charge of party operations, while President No devotes himself to administering state affairs.

The DJP officer said that a compromise may be reached between the two groups over the type of leadership. Though the party charter will adopt the unitary leadership with President No as head of the party, it will be actually led by a five-member "leadership council" to be headed by Kim Yong-sam, the DJP official said.

He said that President No is likely to entrust the leadership council chairman with day-to-day party operations.

As to the type of leadership, an aide to Kim Yong-sam said that a consensus has already been reached between President No and the two Kims that Kim Yong-sam will virtually take charge of party operations, though No will formally represent the party under the party charter.

In the meantime, DJP members of the preparatory committee said that the appointment of party posts as well as the party organization will be realized before the founding of the new party is registered with the Central Election Management Committee [CEMC] around Feb, 16.

After its registration with the CEMC, the new party will register with the National Assembly as a "unified" floor negotiation group.

RDP Official Threatens Suit

SK0102024090 Seoul THE KOREA HERALD in English 1 Feb 90 p 2

[Text] Kim Sang-hyon, vice president of the Reunification Democratic Party [RDP], yesterday declared that the party's special national convention Tuesday was null and void and vowed to seek legal action nullifying the dissolution of the RDP endorsed by the convention.

In a meeting which was also attended by defiant RDP lawmakers and district chapter heads including Reps. No Mu-hyon, Kim Chong-kil and independent lawmaker Yi Chol, Kim pointed out that the national convention, which lasted only 30 minutes or so, completely deprived party members of opportunities to express their opposition to the three-way merger.

"Therefore, the convention itself is illegal, not to mention the dissolution of the RDP endorsed by the convention," Kim argued.

Kim Chang-hwan, former lawmaker and two other RDP members have been entrusted to take legal action for the party.

Yi Ki-taek, floor leader of the RDP, who vowed Tuesday not to joint the new conservative party, did not show up at the meeting.

New Party Faces Test in Assembly

SK0102025490 Seoul THE KOREA HERALD in English 1 Feb 90 p 2

[News Analysis by staff reporter Kang Song-chol: "3-Party Merger To Undergo Test During Assembly Session"]

[Text] The new political structure pushed jointly by President No Tae-u, Kim Yong-sam and Kim Chong-pil will face a major test in the extraordinary session of the National Assembly opening Feb. 19.

The session is expected to provide a major yardstick for predicting future political developments under a revived two-party format.

Analysts generally agree that future relations between the ruling party and the opposition will not be the same as in the past. As reasons, they point out the enormous size of the newly emerging ruling group in parliament and a changing political atmosphere.

Prospective participants in the Democratic Liberal Party [DLP], the new party to be created through the merger of the Democratic Justice Party [DJP], the Reunification Democratic Party [RDP], and the New Democratic Republican Party [NDRP], are saying they will pursue good-natured competition over policies.

It remains in question, however, whether the future course of action will develop as they would like, particularly given the attitude of the Party for Peace and Democracy [PPD] led by Kim Tae-chung.

Now the sole opposition group in parliament, the PPD has pledged resolute struggles against the new ruling group. It sees the merger of the DJP, the RDP and the NDRP as a scheme to monopolize power among the three.

In order to foster harmonious relations, the two opposing camps should first reconcile their differences in defining the current political situation.

The PPD insists that the current situation should still be characterized as a process of fighting between democratic and antidemocratic forces.

Participants in the new party, particularly those like Kim Yong-sam, call for "new thinking," asserting that the nation is being ushered into a new era when old standards can no longer be applied.

What's more important than such rhetoric may be their different political interests, especially over the prospects of gaining power in the post No era.

Kim Yong-sam and Kim Chong-pil may have judged that they will have a good chance of gaining power by joining hands with the current ruling party.

Kim Tae-chung will see diminishing prospects for his ascending to power, and probably launch struggles to block the newly emerging political structure.

Participants in the new party seem confident that they can handle anticipated resistance from the PPD and other dissenters. They may well think that way because they will have an absolute majority in the 299-seat Assembly.

In legislative and other parliamentary action, the new party will not face such difficulty as was experienced by the DJP, which was a minority in terms of the number of Assembly seats.

In one sense, however, the overwhelming size of the ruling party may force the opposition PPD to resort to die-hard struggles.

The coming special parliamentary session will also test the capability of the new party to resolve intraparty problems.

Widely expected to face intense rivalry among major factions, the new party will have to cope wisely with differences among intraparty groups.

The new party has yet to be formally inaugurated, so the DJP, the RDP and the NDRP will form a joint floor negotiation group in the coming Assembly session.

The three parties naturally will take joint steps in pushing major bills, but they first have to reconcile their differences on such sensitive issues as the proposed revision of the National Security Act.

DJP Worried by RDP 'Desertions'

SK0102030690 Seoul THE KOREA HERALD in English 1 Feb 90 p 2

[From the "Out and About" column: "Concern on desertions"]

[Text] DJP [Democratic Justice Party] lawmakers responded sensitively to the new Tuesday that RDP [Reunification Democratic Party] floor leader Yi Ki-taek decided not to join the new party.

Charging that Yi often changed his political line in the past, some said Yi's move will not have a serious effect on the new party.

But others expressed concern that Yi's bolting away from Kim Yong-sam might be followed by an increasing number of RDP members.

They worried that if more than 20 RDP lawmakers desert the new party, it would not secure the two-thirds majority in the National Assembly, needed for constitutional revision.

'DLP' Risks 'Obesity, Arrogance'

SK0102022690 Seoul THE KOREA HERALD in English 1 Feb 90 p 8

[Editorial: "Dismantled RDP"]

[Text] A sober and quick-acting convention dropped the curtain on one of the leading and "traditional" opposition parties Tuesday. The Reunification Democratic Party [RDP] folded up of its own accord to clear the way for joining hands with the ruling Democratic Justice Party and the New Democratic Republican Party [NDRP] to form a new party through their merger.

The air over the closing session was naturally sober and subdued. Rep. Kim Yong-sam, founder and head of the RDP, declared the party defunct with only a token voice of protest from dissenters determined to stay aboard the sinking boat. The mass desertion and conversion to Kim's cause of a "grand coalition" were overwhelming.

Reactions are mixed over the dismantling of the RDP, which is soon to be followed by similar procedures to be taken by the government party and the NDRP for the same purpose. Many felt sentimental attachment and regret over the disappearance of the RDP, a party boasting a significant heritage and record of crusading for freedom and democracy.

Others endorse the painful yet bold decision of Kim Yong-sam to collaborate with two other parties to realize a powerful united front committed to a moderate and centrist liberal course. His about-face risked loud charges of betrayal and opportunism, detracting from his personal credibility and popularity. On the other hand, the drastic move is regarded by others as a big step toward promoting the political stability and development of the nation.

Positive assessment of Kim's move is based on disillusionment with the inadequacy of the so-called four-party arrangement that splintered and impoverished our political arena, threatening disintegration and conflict in our community with the slated introduction of local self-government.

The large and dominant ruling party likely to emerge upon the merger of the three parties also runs the risk of obesity and arrogance of power. This might present the

greatest challenge to the proposed Democratic Liberal Party [DLP] commanding an absolute majority.

What matters more now is the future role of the former members of the RDP in the new party and the new political environment, rather than their track record. Kim Yong-sam is expected to breathe fresh blood into the strong new majority party by undertaking pressing reforms and forging harmony out of diversity with his new partners. People wish to see the aims and ideals of the deceased RDP revived more exuberantly in the growth of the DLP in the making.

$50 Million in Contracts Signed at Moscow Fair

SK3101022890 Seoul THE KOREA TIMES in English 31 Jan 90 p 8

[Text] Korean export industries have reaped unexpectedly fruitful results in the Moscow consumer trade fair (CONSUMEXPO '90), which was held at the Expo Center in Moscow Jan. 18-24.

The Korea Trade Promotion Corp. reported yesterday that Korean businesses had signed contracts amounting to $50 million in the fair, far above the original prediction of $10 million, besides business negotiations totaling $260 million.

It was the first time that Korean industries officially have participated in a trade fair ever held in the Soviet Union. The Moscow fair was attended by 26 countries from both the West and East such as the United States, Japan and Hungary.

A total of 19 Korean firms participated in the fair, displaying electric and electronic goods, textiles, kitchenware and cosmetics, the state-run company said.

Hyundai came top by signing contracts for about $10 million, followed by Lucky-Goldstar's $6 million, Hanil Synthetic Fiber's $5.9 million, Sunkyong's $5.8 million and Kolon's $4.7 million.

KOTRA said 2,170 foreign buyers had business negotiations with Korean industries and the number of spectators who visited Korean booths reached 25,000.

State Jaycees Leave for Soviet Tour

SK3101061290 Seoul YONHAP in English 0536 GMT 31 Jan 90

[Text] Seoul, Jan. 31 (YONHAP)—Ten members of Korea Jaycees Inc., a branch of Jaycees International, left Wednesday on an eight-day tour of the Soviet Union as guests of the Committee of the Youth Organizations of the U.S.S.R. (CYO).

Members of the group are scheduled to have two meetings with their hosts to discuss exchanges and other ways to bolster links between South Korea and the Soviet Union.

They are to visit Tashkent, Alma-Ata, Moscow and Leningrad, and to meet ethnic Korean youths to discuss opening branches of the Florida-based organization in Soviet cities.

Jaycees International Claims 600,000 members in some 1,500 affiliated organizations in 83 nations.

Construction Minister Kwon Leaves for Libya

SK3101064290 Seoul YONHAP in English 0617 GMT 31 Jan 90

[Text] Seoul, Jan. 31 (YONHAP)—Construction Minister Kwon Yong-kak leaves for Tripoli, Libya, Wednesday night at the head of the South Korean delegation to the second Korea-Libya Joint Committee Meeting Feb. 2-6.

On the agenda are ways to expand bilateral construction cooperation as well as general trade and technological exchanges.

Kwon is also to attend a ceremony in the Libyan port of Benghazi on Sunday to sign a 4.634 billion U.S. dollar contract won by Korea's Tong-a Construction Co. to work on Libya's 800 kilometer-long "great man-made waterway."

Among the celebrants will be the secretary of the great Man-Made River Authority, Muhammad el-Manqush, and the secretary of agriculture and land reclamation, 'Abd-al-Majid Qu'ad.

Trade Minister Speaks on Export Subsidies

SK0102023490 Seoul THE KOREA HERALD in English 1 Feb 90 p 6

[Text] The government will resume subsidies to big industries to finance their expansion of export facilities, Trade and Industry Minister Han Sung-su said yesterday.

Concessional loans to small- and medium-sized export industries will also be expanded as part of the government's effort to restore the international competitiveness of Korean goods, Han told a breakfast meeting of Korean business leaders. The session was hosted by the Korea Chamber of Commerce and Industry.

The government will soon establish the "export insurance corporation" to help Korean firms explore new export markets and diversify their export markets away from the United States, Japan and Europe, Minister Han said.

In the 40-minute speech, Han outlined his ministry's key policies to make Korea a top trading power by the year 2000.

He projected Korea's exports in 2000 at $208 billion and imports at $204 billion, more than three times the export and import goals for this year.

Korea's export goal for 1990 is $66 billion, and its import projection $68 billion.

Han also forecast that Korea's exports and imports in 1992 will reach $85 billion and $83 billion.

Such a projected high export growth will be paced by Korean export industries' shift from labor-intensive, low-valued goods to sophisticated high value-added products such as semiconductors and computers and automobiles, Han said.

In 2000, the trade and industry minister projected, sophisticated high-level industrial products will account for nearly one third of Korea's total industrial output, up from around 11 percent.

Output of semiconductors alone will reach $25 billion, five times the $5 billion projected for this year, and total domestic automobile production will top 5 million units, up from this year's production goal of 1.3 million units, the minister said.

The government will place top priority on creating environments favorable for the second leap of Korea's export industries by overcoming current hardships, Han said.

As part of this effort, Han said, coordination among the government, export industries and export organizations will be beefed up.

The government will strengthen its activities to monitor exports by month and by item and developments in Korea's key overseas markets to work out more effective export growth policies, he said.

Procedures for exports and imports will be drastically overhauled to remove bureaucratic red-tape, the trade and industry minister said.

The government is pushing for the establishment of a corporation which will carry out computerization of export and import processes to eliminate the current complex, time-consuming paperwork, he said.

On economic exchanges with north Korea, Han said, the government will continue to promote direct and indirect trade with the north to expand the base for further economic exchanges.

The minister also defined the government's trade policies toward Korea's key trading partners, such as the United States and Japan.

On the United States, he said, Korean will try to maintain smooth relations through early solution of pending trade issues, including the question of opening the Korean market wider to U.S. agricultural products.

On European countries, Han said, the government is working out various strategies to prepare for the formation of a single European Community market in 1992.

Overseas Investment 213 Million U.S. Dollars

SK3101062490 Seoul YONHAP in English 0609 GMT 31 Jan 90

[Text] Seoul, Jan. 31 (OANA-YONHAP)—South Korean companies invested 492 million U.S. dollars in 254 overseas projects last year, a 131 percent rise in value and 54 percent more projects than the previous year, the Finance Ministry said Wednesday.

The increase was chiefly a result of the weakening international competitiveness of labor-intensive businesses due to rising labor costs at home, the ministry said.

Other reasons cited for the surge in out-bound investment were the global trend of rising import barriers, which Korean firms hope to circumvent by building factories abroad, and the intense government effort to push overseas investment thanks to the trade surplus.

Southeast Asia took the top spot with 123 investments, or 48 percent of the total, while North America claimed the biggest single investment of 229 million dollars, or 47 percent of the total.

Manufacturing came first with 223 million dollars in 136 projects.

New Vice-Minister, Port Administrator Named

SK3101025090 Seoul THE KOREA TIMES in English 31 Jan 90 p 2

[Text] The government has designated Chin Nyom, administrator of the Korea Maritime and Port Administration, as vice finance minister, replacing Yi Tong-ho, it was learned yesterday.

Yi will be given the post of governor of the Korea Development Bank (KDB).

In a partial reshuffle affecting banking officials, the government also designated KDB governor Chong Yong-ui as chairman of the Securities Supervisory Board.

An Kong-hyok, second assistant finance minister, was chosen as administrator of the Korea Maritime and Port Administration after vice finance minister-designate Chin.

Chin, 50, graduate from the College of Commerce, Seoul National University, had been a career official of the Economic Planning Board before he was transferred to the Korea Maritime and Port Administration two years ago.

WOLGAN CHOSON on Defense Burden-Sharing

SK2801210190 Seoul WOLGAN CHOSON in Korean Dec 89 pp 232-243

[Article by Yi Son-ho: "Each U.S. Soldier Costs Us $45,000 Per Year"]

[Text]

U.S. Pressures Us To Increase the Amount We Pay for U.S. Forces Stationed in Korea

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Korea's economic clout has been overrated. Korea has been mistakenly characterized as a leader among newly industrialized countries, and erroneously perceived as one of the "four dragons of Asia." Korean citizens were intoxicated on phrases like, "the miracle on the Han." As a result, we were caught short by the side effects of the impure international economic environment and by the Korean people's excessive desire for personal prosperity. Thus, we were unable to maintain our position, and by the time we realized the problem we were already face to face with an economic crisis. Now we find this painful to the soul.

To add frost to snow, in the midst of our economic troubles we are in a position where we have no choice but to continue to maintain our 650,000-man military establishment because there is a higher density of militarization, more men per mile confronting each other over rifle barrels, along the DMZ that bifurcates the Korean peninsula than in any other country in the world. So long as this reality persists, we will continue to pay the price required by armed confrontation with North Korea's huge army of over 1,000,000 men.

Next year again that confrontation will cost the national treasury the astronomical amount of 6 trillion, 694 billion Won. This is 4.5 percent of our GNP, and a sum so huge it is more than 29 percent of the total government budget. The defense outlay increased 11.3 percent this year over last, but the problem is that despite the huge sums, the slice of the defense budget devoted to establishing actual military superiority over North Korea—force improvement expenses—amounts to a mere 36.7 percent of the total defense budget, with the remainder allotted to management and maintenance costs. This represents an actual drop in this category, to which we devoted 38.1 percent of the defense budget in 1989.

Concerned MND authorities are under fire as experts demand that they trash the present, conventional budgetary system with its lack of flexibility, emphasis of on-line items, and locked-in concern for previous-year expense categories and boldly adopt in its place a budgetary process based on end results or on zero-based budgeting. At the same time, authorities must curb the administrative budget with its surplus fat and put the spurs to industrial development to enable us to acquire weapons systems of the highest technological level and to enable us to devote a greater share of the defense budget to force improvements.

Even as we face such budgetary concerns in the national defense arena, some are concerned that the emergence of public speculation about the withdrawal of U.S. forces from Korea pressures the Korean government to increase the huge amount we pay annually directly and indirectly for expenses related to maintaining U.S. forces in our country, an amount that now reaches 2.2 billion dollars, or 1 trillion, 600 billion Won each year. If U.S. forces were to withdraw from Korea under present circumstances, and if we called upon our own military to fill the role now executed by the U.S. forces to maintain the military balance between the North and the South, the tremendous cost to Korea of acquiring and maintaining just the early warning systems and other highly-sensitive, precision intelligence systems possessed by U.S. forces now in Korea would exceed our ability to pay.

At the present moment, then, we have no other choice but to acknowledge that judicious solutions to burden-sharing issues and the potential withdrawal of U.S. forces from Korea are issues that directly impact our national security, issues that are linked directly to the economic and military development of the Republic of Korea. In this regard, the defense burden-sharing issue I discuss in this article is not a simple question of bilateral cost-sharing, but treats the issue more broadly, from the standpoint of shared values, international military complementarity, and the primacy of shared economic, strategic, and technical interests.

Defense burden-sharing means mutually allocating and sharing the necessary diplomatic, personnel, material, and economic costs of maintaining military and security cooperation and a friendly, allied relationship between Korea and the United States. Although this can be interpreted narrowly as the scale of national military expenditure, overhead expense support to U.S. forces in Korea, and the costs associated with combined military efforts for bilateral defense, the United States also includes in its concept of security assistance various forms of support to maintain and advance the cause of liberal democracy and defend human rights.

Defense Burden-sharing Necessary To Maintain Security Cooperation

All nations must devote sufficient amounts of their various political, economic, psychological, and military resources to satisfying the overweening strategic imperative to preserve national existence, achieve national goals, and serve national interests. Yet the fact is that most nations are not able to accomplish these things alone.

The military strength available to weak and small countries to satisfy these strategic demands is simply insufficient to the task. Weak and small countries, therefore,

may tap the capabilities of stronger countries to accomplish their own national goals.

Given this strategic reality, nations achieve their security aims, continued existence, and prosperity by focusing on combined or joint efforts with other countries or by allying themselves with other states. The typical example of this are regional, collective defense structures. These arrangements occur when a number of nations sharing similar goals and ideology agree via defense treaties to share responsibility for the security of a limited region, and when a non-treaty nation invades a signatory to the treaty, the group will respond jointly to the invasion.

Examples of such regional defense organizations include NATO, WTO [Warsaw Treaty Organization], SEATO [Southeast Asia Treaty Organization], and ANZUS [Australia-New Zealand-U.S. Defense Pact]. Although of a somewhat different character, the bilateral military cooperative structure existing between Korea and the United States and between Japan and America has similar objectives.

In a word, defense sharing means maintaining and managing a collective defense structure or a bilateral allied structure. It means assuming the burden of performing those requirements that the associated countries fairly allocate and accept. In the process of executing the allocated requirements in a structure of mutually complemental security support, nations also build and maintain a cooperative relationship to which each associated nation contributes uniquely, creating distinct roles and responsibilities for each nation involved.

The elements that drive national decisions in regard to defense burden-sharing turn on the concept of collective security. The basic spirit of collective security is spelled out in the United Nations Charter, which sanctions nations which respond jointly against those who disturb the peace. Specifically, these driving elements originate from the nature and extent of the perceived threat, as determined by accurate assessment of the capabilities, intent, and vulnerabilities of the aggressor. In NATO's case for example, serious political discord flares up between the United States and other NATO countries because these states differ in their perception of the Soviet threat to Europe. In a case of high irony, European NATO states shoulder a proportionately smaller share of the defense burden than does the United States, yet at the same time these states manage to exert sufficient pressure to perpetuate the U.S. presence in Europe.

Decreased U.S. clout in international politics and the world economy inevitably becomes a variable in the defense burden-sharing decisions made by other nations of the free world. The United States maintained a just Pax Americana, a position as the leading great power, and de facto leadership of the free world from the end of World War II until the end of the Vietnam war. After drinking the bitter cup of defeat in the Vietnam war, however, the United States itself reduced its international role, moving to the 1.5-war strategy from a 2.5-war strategy. The United States suffered a serious loss of international prestige as a result.

Nor did that end it. After World War II, the United States alone accounted for 50 percent of the world's economy, but now Washington finds itself stuck with no more than a 25 percent share. Moreover, America's so-called twin deficits are severe and growing, and the United States has fallen to the status of a debtor state. These facts account for increased U.S. demands for further defense burden-sharing.

In the final analysis, the level of defense burden-sharing a given country will accept must fluctuate according to how that country views prevailing economic and political conditions and how it perceives the security threats it faces. Countries like the Philippines, for example, which confront overwelming economic difficulties like huge trade deficits not only avoid sharing the costs of stationing foreign troops on their soil but even receive income from the arrangement. A divided country like Korea or countries with an unsettled national security climate are in a different boat. In Korea's case, we are in a position for the time being in which we must guarantee the stationing of U.S. Forces on our soil even though we stagger under a massive domestic defense burden and already shoulder a heavy load of burden-sharing costs.

Korea's Burden-sharing Index Is Higher Than That of Japan

Defense burden-sharing, of course, would not exist if there were no collective security efforts. Burden-sharing is based on the assumption that involved nations will shoulder jointly the cost in treasure and in sacrifice imposed by a structure that binds their mutual fates. Defense burden-sharing is based on the principle that a free ride at the expense of the state with more to gain cannot be tolerated because guarantees to preserve national defense are mutual and joint. However, one cannot calculate with precision the costs in national treasure against gains to the national interest. And it is especially difficult to calculate with precision cost-sharing and the value to national security of a combined defense relationship when the national strength of one of the parties far exceeds that of the other. This suggests that in determining an appropriate level of expenditures for burden-sharing one must consider each nation's relative security benefits and interests as well as its economic ability to share the burden. Each nation must seek the highest possible level of national satisfaction.

Using the prosperity index method as a basis to determine the appropriate dollar amount for burden-sharing, as is done in NATO countries, therefore, appears to be the most convincing method. The prosperity index of a given country considers the GNP of all allied countries as well as the per capita GNP of the target state. That is, the prosperity index of a particular country is calculated by dividing the target country's GNP by the total GNPs of it and its allies, dividing the target country's per capita

GNP by the total per capita GNPs of it and its allies, multiplying the two fractions, and then converting the result to a percentage.

This method highlights the principle that the greater the GNP of all the allied states and the higher the per capita GNP of each individual state, the greater shall be that country's joint defense burden. In practice, however, this principle is not observed in the course of political negotiations. The reality is that either the United States or the smaller country pays a relatively greater share of burden-sharing amounts.

The burden ratio of the NATO countries, Japan, and Korea are compared in Chart 1.

Chart 1: Key Countries' Defense Burden-sharing Index

country; percent of NATO Defense burden	burden comp. with GNP	prosperity index comp. with burden	military manpower as percent of population	NATO country's defense budget defence budget as percent of total budget
U.S.A.	1.47	1.16	1.28	23.2
30.1				
West Germany	0.68	0.85	1.00	15.5
11.4				
France	0.86	1.19	1.16	16.5
-				
Britain	1.10	0.75	1.38	18.8
21.9				
Italy	0.58	1.16	0.94	5.7
7.3				
Spain	0.51	1.77	1.23	1.6
-				
Canada	0.47	0.44	0.44	5.6
6.9				
Netherlands	0.66	0.97	0.82	2.7
3.5				
Belgium	0.65	1.03	1.05	2.7
-				
Denmark	0.46	0.51	0.69	1.6
2.1				
Norway	0.70	0.66	1.03	1.1
1.4				
Turkey	0.95	12.4	1.58	3.5
1.9				
Greece	1.52	6.1	2.15	0.3
0.5				
Portugal	0.67	4.3	1.03	0.6
0.7				
Luxembourg	0.23	0.33	0.35	0.1
0.1				
Japan	0.21	0.24	0.20	-
-				
Korea	1.14	7.0	1.4	-

Source: Defense Burden, MND, 1988.

As one reviews this chart, he should bear in mind that since Korea is not a member of a collective defense structure like NATO, a direct comparison of Korea with NATO countries has no great meaning. When compared to Japan, which also has a bilateral relationship with the United States, one can see that although the absolute amount of Korea's burden-sharing is lower than Tokyo's, the burden-sharing index is much, much higher.

Demands for Support Funds After the Mid-Eighties

The basis for stationing U.S. Forces in Korea and the legal foundation for Korean defense burden-sharing is the Status of Forces Agreement (SOFA) as concluded pursuant to Article IV of the ROK-U.S. Mutual Defense Treaty. The latter instrument was concluded on 1 October 1953 and took effect on 17 November 1954. Article IV says, "The Republic of Korea grants, and the United States of America accepts, the right to dispose United States land, air and sea forces in and about the territory of the Republic of Korea as determined by mutual agreement."

The purpose of the SOFA, concluded between the two countries on 9 July 1966, was to guarantee the standing and status of U.S. military personnel, Department of Defense civilian employees and their dependents stationed in Korea, and to determine the extent to which Korean law would apply to these categories of personnel. For U.S. military personnel, Department of Defense civilian employees, and their dependents from the time they arrive in Korea until the time they depart, the key elements of the SOFA embrace legal issues, control of entry, furnishing and return of facilities and land, overhead expenses, stopovers by aircraft and ships, exemption from taxes and taxation, labor support, and claims for injury compensation.

From 1945 to the present—except for about a year just before the Korean war—the United States has stationed at least a division-sized unit continuously in Korea. Washington itself bore most of the necessary overhead expenses for this force up until as recently as 1974, while the Republic of Korea provided facilities, land, and a civilian service corps as a form of expense burden-sharing to reduce the American load.

When the mid-seventies came around, however, the United States ceased grant economic aid to Korea and greatly reduced grant military aid. At the same time, Washington implemented a partial withdrawal of U.S. Forces from Korea and began to pressure Korea to share

the burden of expenses for joint defense. Starting in 1974, then, the Americans raised the issue of Korean participation in the cost of in-country storage of war reserve supply ammunition (WRSA) but went even farther. They asked for Korean participation in the cost of storing ammunition pegged for the exclusive use of U.S. forces and requested joint investment in combined defense facilities through the Combined Defense Improvement Projects (CDIP) program.

Then starting in 1976, Korea assumed direct responsibility for the burden of supplying the operating expenses of the Joint United States Military Advisory Group, Korea (JUSMAG-K). Starting in 1983, Korea also undertook the burden of paying part of the operating expenses of the Combined Forces Command (CFC). Then, in the late eighties, the United States ceased Foreign Military Sales credit to Korea and began to request that Korea pick up a larger share of burden-sharing expenses. Washington strongly demanded that Seoul conclude a Wartime Host Nation Support (WHNS) agreement and assume the fees to maintain the ROK-U.S. Combined Field Army and combined communications support.

Washington Demands That Korea Expend Six Percent of GNP on National Defense

Seoul began to share defense expenditures in a definitive way starting in 1974. Over the five-year span from then until 1978, Korea provided a total of 10,050,000 dollars in CDIP program support, specifically funding facilities to accommodate U.S. Air Force and Navy reinforcing units, all under the provisions of the SOFA. For the three years from 1979 to 1982, Seoul provided 354 million dollars in burden-sharing. This money went to 11 different projects, including the automation of the air defense control system. After 1983, Korea provided 178 million dollars of support to 14 separate projects, including acquisition of an attack helicopter battalion and a Lance missile battery.

Chart 2: Korean Support to U.S. Forces in Korea, as of 1988, in Millions of Dollars

Source of Expences	Explanation	Overhead	Direct Costs
Real Estate	Land, Facitities	1,190	172
Manpower KATUSAS	KSC personel	350.3	2.4
Operations and maintenance	USFK Support Group expenses, CFA support, CFC budget Operating ranges	-	3.2
CDIP	14 projects Air/ Naaavyfacil, 11 projects Lance Btry	-	34.2
Logistics	Ammo storage, POL service expenses	2120	65.4
Korean military facilities	Training/firing ranges air traffic control	16.1	-
Reduced tax favors	Customs and trnsit duties Reduction in communications and utility fees	174.2	-
Sub-total		1942.6	277.2
Grand Total			2219.5

Source: MND White Paper

As can be seen in Chart 2, from Washington's vantage point as a land-user, Korea provided 2.2 billion dollars in defense burden-sharing. When land, facilities, KATUSA and labor support, tax favors and other indirect support expenses are excluded, however, the actual amount of cash Seoul provided amounted to only 277 million dollars. And more than half of the 277 million was returned to the Korean economy in the form of wages to Korean workers and as expenditures on materials for the Korea Service Corps.

Chart 3: Scale of Support to U.S. Forces by Key Nations in 1987

Nation	Number of U.S. Servicesmen	Support in millions of dollars	Support per U]S] soldier, in dollars	Defense Budget as percent of GNP
Korea	41,000	1906	45,170	4.7
Japan	45,700	2117	43,030	1.0
Germany	250,000	5000-6000	20,000-24,000	3.0

Source: O.K.C.: Some thoughts on the ROK-U.S. alliance and burden sharing, 1987.

It cannot escape notice, however, that the level of Korean burden-sharing in support of U.S. Forces stationed in Korea is high when contrasted with the economic capability of advanced countries like Germany or Japan. As can be seen in Chart 3, the absolute cost to Korea per U.S. serviceman is higher than in the other two countries, of course, but when we consider the massive size of the GNPs of these two countries and the amount of defense expenditures they allocate, then one can readily see that Korea's relative burden-sharing load is vastly more burdensome than is theirs.

Meanwhile, however, Washington demands that we expand the scope of our burden-sharing by raising our defense budget to more than six percent of GNP to match the level expended by the United States. Washington supports this demand with the frivolous arguments that South Korea's population is twice that of North Korea, that our GNP is seven times that of Pyongyang, and that our trade balance with the United States in 1988 was tilted in our favor to the tune of about 10 billion dollars.

But our position is that we simply can't raise our defense budget to that level. Korea sustained a massive defense expenditure for the 15 years from 1975 to 1989, devoting 5.1 percent of GNP to defense expenditures, an average of 32.3 percent of the total government budget. This far outstrips the average of 3.3 percent of GNP spent on national defense by the NATO countries and is vastly higher that the mere one percent of GNP devoted to defense in Japan.

The Korean economy has posted trade surpluses for barely two years, and a very high 67 percent of our economy is based of foreign trade. Moreover, as of the end of 1989, Korea was in danger of once again falling into the category of a trade-deficit nation. I have no reservations about saying that in our present difficult economic situation, when even our Maginot Line growth rate of seven percent is crumbling before our eyes and when even a five-percent growth rate is staring us in the face, that the Korean reality is that we will find it difficult to pick up a greater share of the financial burden of joint defense.

America's defense treaty with Korea implies the visible stationing of United States forces in Korea to deter hostilities, the presence of tactical nuclear warheads, the annual Team Spirit exercise—all of which help guarantee automatic American involvement in possible hostilities—as well as the provision of a nuclear umbrella.

In May 1988, however, Commander of U.S. Forces in Korea, General Menetrey testified before the Senate Armed Services Committee, stressing that the United States planned the expansion of the function and role of U.S. Forces in Korea, after working out approaches with Seoul. Korean analysts would judge the expansion of the role of U.S. Forces in Korea to be aimed at blocking North Korean adventurism. When the role-expansion is seen as part and parcel of America's world strategy or grand strategy, however, then the value of U.S. Forces on the Korean peninsula to an advanced country like the United States lies in their ability to support a policy of flexibility to pursue U.S. national interests, such as assuring regional stability, protecting democracy, and extending human rights.

So long as Washington does not alter its concept of a three-part basic strategy, forward defense aimed at the Soviet Union, mounting an offensive if attacked, and using bilateral defense structures to expand military capabilities, the strategic value of the Korean peninsula will not decline below its present level. Thus, as recently noted in the joint statement issued after the ROK-U.S. Security Consultative Meeting, despite rising debate about withdrawal of U.S. Forces from Korea, the decision on withdrawal will be made based upon the value of our cooperative defense structure.

Expanding the function of U.S. Forces in Korea as one link in Washington's over-all world strategy means the projection of that role over massive areas to connect the Pacific Ocean, the Indian Ocean, and the Atlantic Ocean. This expansion of role also helps account for American requests for Seoul to increase its defense burden-sharing.

U.S. Forces in Korea Vital to America's World Policy

American demands that Korea make military contributions of about 200 million dollars per year to secure sea lanes in the Persian Gulf—where Korea acquires about 48 percent of its oil—and provide appropriate levels of funding to aid the economic recovery of the Philippines are also related to this expanded role.

The expanded role was also behind Korea's sending three Korean-made destroyers to participate for the first time in Rimpac 89, and in mid-1990 Seoul will participate under the leadership of the U.S. fleet and with Canada, Australia, and Japan in a joint deep sea naval exercise in the Pacific, Rimpac 90.

At the present moment, when Japan has acquired the capability and is about to take full responsibility for protecting maritime traffic lanes extending from Tokyo outward toward Taiwan for 1000 nautical miles, the Korean Navy must now take the measures, along with U.S. Forces in Korea, to broaden its role as one leg of a tripartite security structure involving Korea, Japan, the United States, and U.S. Forces in Korea.

Even after the ROK-U.S. Combined Forces Command (CFC) was established in 1978, the United States continued to exercise operational control of Korean forces. However, the creation of the Military Committee to supervise CFC Headquarters provided a mechanism for horizontal communication of national intentions between Korea and the United States. This mechanism gives the two countries the means with which to decide joint intentions.

The basic framework for existing ROK-U.S. combined deterrence strategy is to make policy decisions centrally, execute policy decentrally, and utilize common military doctrine as both tactic and principle. Moreover, the strategy is based on the principle that in the event deterrence fails, aggression will be repulsed without delay, but repulsed on the condition that the restoration of peace shall be accomplished on terms favorable to the United States and its allies.

When the Korean war broke out on our peninsula, it was executed undeviatingly as a thoroughly controlled, limited war. As a result, Chinese forces intervened. The U.S. Army neither anticipated nor blocked the Chinese intervention, and this blunder prevented the unification of the Korean peninsula. That is a lesson in history that we must bear in mind.

So long as U.S. Forces are stationed on Korean soil, the ROK-U.S. Mutual Defense Treaty should remain in force, and the CFC should continue to exist. In view of Korea's security realities, it is unavoidable that operational control of ROK forces remain vested in the United States.

Thus, it is clear that so long as the CFC's concept of deterrence remains based on U.S. national strategy, the United States would never allow the Republic of Korea to mount a preemptive invasion or a preventative war of self-preservation. Even if South Korea were to be the object of an invasion by North Korea, to prevent the war from spreading, the United States would not allow the next military step after restoring the status quo, breaking through the DMZ and advancing northward. A strategic dilemma exists between Korea and the United States on this issue.

Not only is this a strategy of deterrence which is also a strategy of peace, a strategy of winning a war by not fighting a war, but in light of the spirit of our Constitution, which rules out aggressive warfare, and our national strategy of peaceful unification, this is also very proper logic. It is logic that will allow us to strongly maintain our friendly and allied ties to the United States, while also preventing us from being ejected from the free world's regional defense structure.

Security Realities Make Stationing of U.S. Forces in Korea Unavoidable

U.S. forces will not remain forever on Korean soil, however, and we cannot be certain what form future internal and external threats will take. What is certain is that North Korea cannot surpass our national strength, and the more time that passes the greater will be our potential military capabilities in a future war, and the more advantageous our position. If that is true, in the event that the ROK-U.S. combined deterrence strategy fails, then the strategies of quickly mounting an offensive, retaliation, and punitive measures which are premised on failure of deterrence must serve to replace our strategy of peaceful unification.

This change in strategy can be undertaken openly or in secret. When the new strategy is declared openly, then the act of communicating it to North Korea becomes a psychological threat to Pyongyang, allowing us to achieve deterrence. When this strategy is kept secret, it will cause uncertainty and make it difficult for Pyongyang to judge the nature of the threat, allowing us to achieve an effective deterrence.

In this way the ROK-U.S. combined deterrence strategy can grow into an offensive defense strategy based on superior national strength. I believe it is possible to realize this change by exploiting the cooperative customs that already exist between Korea and the United States to increase defense burden-sharing and at the same time to develop a true partnership with America, at least insofar as the national interests of the two nations do not conflict.

Although it is embarrassing to say so, the cooperative relationship between Korea and the United States in the intelligence field is one of out-and-out reliance upon the United States. The Korean war afforded the opportunity to build a cooperative military intelligence relationship between Seoul and Washington. The U.S. CIA played a decisive role during the Korean war in training our military, which up until the time hostilities began had been prepared only for guerilla warfare and for dealing with enemy infiltration into rear areas.

The U.S. CIA was attached to the 8th U.S. Army during the Korean war and collected strategic intelligence for distribution to concerned U.S. Government agencies. The U.S. CIA maintained close and friendly relations with the Korean Government.

The United States failed to predict the Japanese attack on Pearl Harbor because America lacked a national intelligence agency. The CIA was created to fill this void in 1947, functioning subordinate to the National Security Council. The CIA oversees and controls the joint body of American intelligence organizations and is also in charge of collection, production, and distribution of strategic intelligence to government agencies concerned with national security policy. By contrast, however, the Korean Central Intelligence Agency (KCIA) devoted its main effort to ferreting out elements which sow disorder and detecting those who work to overthrow the government. This means that the KCIA was unfaithful to its inherent mission, and this has caused discord between it and other Korean and U.S. security agencies.

Strategic and military intelligence functions are supervised today in Korea by the NSP, an organization which is merely the KCIA operating under a different name. In addition to the NSP, a large number of significant security and intelligence agencies exist in Korea. Subordinate to the Ministry of Defense are the Defense Security Command, the Defense Intelligence Agency, and the 7928th Unit, while each military service has its own intelligence units. In a way, however, these agencies function in certain areas in name only, since they do not

have even the equipment used by the relatively small U.S. Forces, Korea to conduct battlefield surveillance and perform the early warning function. The Korean agencies, therefore, are unable to pursue symmetrically the role expected of a counterpart.

There are many examples of the unsatisfactory function of Korea's intelligence capability. Over the last number of years we have witnessed failures like the one-act-play in which Kim Il-song's death was falsely proclaimed, the erroneous grasp of reality that triggered construction of the Diamond Mountain dam, the penetration of the KAL airliner into Soviet airspace and the intelligence delay in reporting its fate, the crash landing of a Chinese civilian airliner on Korean territory without accurate acquisition and pursuit, deficiencies on a number of occasions in the defensive measures undertaken when our fishing vessels were kidnapped on the high seas by North Korean naval craft, and failure to detect recent attempts by antigovernment figures to enter North Korea secretly. We could go on pointing out shortcomings endlessly.

Government Collection Systems Deficient

An intelligence organization known as J-2 is subordinate to CFC Headquarters, and a very large body of military intelligence is jointly created at this agency. The Korean side complains, however, that military intelligence exchange with the Americans is limited. The problem is that the United States has intelligence exchange agreements with Britain, Australia, and New Zealand, so U.S. Forces, Korea provides more intelligence to these countries than it does to Korea. In spite of this problem, however, Korea and the United States jointly operate and smoothly exchange communications intelligence based on the UK-USA communications exchange agreement concluded in 1947.

U.S. military intelligence organizations in Korea which perform a decisive military intelligence collection role against North Korea include the U.S. Army's Intelligence and Security Command (INSCOM) and the U.S. Navy's submarine and surface vessel intelligence activity, Classic Wizard, and a high frequency radio direction finding activity.

When it comes to the area of intelligence and defense burden-sharing, the problem is Korea's lack of an independent intelligence capability. This deficiency in military operational capability, then, comprises a basic barrier to practical strategic sharing between Korea and the United States. In a word, before U.S. forces withdraw from Korea, a most urgent and important task for self-reliant national defense is to expand equal intelligence exchanges between Seoul and Washington in order to establish an independent military intelligence collection system for Korea's military forces.

Korea today produces ammunition, armored personnel carriers, and missiles but is completely reliant on America's provision of military technology to do so. In recent years Korea has produced Hughes 500 MD helicopters and F-5 E and F-5 F aircraft under joint production agreements, but this too is accomplished via supply of U.S. technology. In the field of defense industry technology, Seoul's unilateral dependence on the United States is a barrier to increasing the autonomy of Korean defense industries and to exporting licensed weapons produced in Korea.

Export of Korean-Made Weapons Irritates the United States

The reason this acts as a barrier to exports is that in accord with the United State's Weapons Export Control Law and American regulations concerning international weapons traffic, Korea must receive in advance the written permission of the United States Department of Defense before licensed weapons manufactured from defense industrial technology or facilities provided by the United States can be exported to third countries. In other cases, the barrier is that when licensed manufacturing agreements or defense industry technology aid agreements were hammered out with the United States, we were required to expressly stipulate in writing that certain technologies and weapons would not be transferred to a third country.

American regulations controlling export allow flexible decision-making on the basis of policy considerations. These are influenced by: the requests and needs of countries who receive U.S. defense industry technology; the influence of a transfer on weapons control and regional military balance, whether a transfer is in harmony with the U.S. national interests in confronting the Soviet Union; whether a transfer will exert political and military influence on the countries which receive America's defense industry technology; whether a transfer will influence the spread of international terrorism; and the influence of the United State's own domestic defense industries.

Of the 42 types of weapons produced in Korea today, seven are controlled in some way by the United States. Four items must receive written permission from the U.S. Department of Defense before export: M-16 rifles, M-60 machine guns, 20mm Vulcan cannons, 8-inch howitzers, and the shells and bullets that feed these weapons. Total numbers of the following weapons are limited at American insistence: 105mm and 155mm howitzers, 81mm and 4.2 inch mortars, and their respective shells.

In a move aimed at protecting America's own defense industries, the United States is moving to tighten its regulations controlling licensed weapons manufacture and distribution. The move is also seen as a ploy to preserve the U.S. monopoly in the international conventional arms market. The U.S. policy is aimed at preventing the uncompensated use of U.S. technology and prevent the overseas weapons market from shrinking.

Korea is sunk in a dilemma on this issue because we are approaching the point of saturation, where the production of domestic defense industries' weapons exceeds our

domestic need. Production facilities must be kept open on national security grounds, yet we must rely on exports to keep the lines open. One way to alleviate this problem is to expand the number of defense industry technology agreements struck between Korea and the United States. This, in turn, will promote technology transfer, mutual weapons development, and joint production. Meanwhile, we have no choice but to intensify diplomatic negotiations to push for approval of overseas sales of licensed weapons manufactured in Korea.

The biggest obstacle to defense industry cooperation between Seoul and Washington is to be found in unilateral Korean dependence on the United States. A sharp drop in the transfer of defense industry technical data packages from the United States occurred at the beginning of the eighties. It appears that this drop was caused by discord between Korea and the United States triggered when exports of Korean-produced weapons eroded the Americans' market.

In the joint statement issued after the 21st ROK-U.S. Security Consultative Meeting, Korea's Minister of Defense Yi Sang-hun and U.S. Secretary of Defense Cheney: "...noted with satisfaction that in addition to the 40 million dollars already committed at the 20th SCM for Combined Defense Improvements Projects (CDIP) in 1990, the ROK will expend an additional 30 million dollars in 1990 in such areas as war reserve storage, depot maintenance of U.S. aircraft at industrial facilities, and improvements in command, control, and communications. ... also noted favorably ROK agreement to spend 40 million dollars on CDIP in 1991 and to expand CDIP funding to 50 million dollars in 1992."

In a word, I believe this statement shows that the two gentlemen shared the same recognition of the mutual value of pursuing Korean-American cooperative security, a recognition made easier because the sums contributed by Korea for defense burden-sharing will increase each year.

Establishing an Unsophisticated Principle of Defense Burden-Sharing

Past American demands for Korean defense burden-sharing amounted to little more than requests for simple, tactical sharing of expenses. Now, however, I must say there clearly is increased pressure for indirect and strategic burden-sharing to expand both the role and function of the defense relationship. For example, the United States has requested that we and others who benefited from its operations in the Persian Gulf furnish support, that we supply economic support to the Philippines, and that we pay the wages of workers employed by U.S. Forces, Korea.

These requests could have been triggered by Korea's growth in national strength. More likely, however, they emerge because the United States is said to be in decline and because of the serious trade and budget deficits experienced in America. Washington seeks to alleviate these economic difficulties even through the expedient of reducing national defense expenditures, decreasing the budget for keeping U.S. forces in Korea year after year. The prospect is that requests for increased Korean defense burden-sharing will only grow stronger.

First, we need to establish a principle and concept of defense burden-sharing. We must not make the mistake of limiting the concept of defense burden-sharing to a microscopic preoccupation with sharing expenses. Korea and the United States must take the larger view and form a joint structure supporting their mutual fates based on every form of tangible and intangible cooperation and a relationship of mutual support. In this way, we can move to develop the principle of reciprocal, beneficial, fair apportionment of expenses.

We must be sure that Americans realize that measured on a prosperity index, Korea embraces a proportionately greater defense burden than either the NATO countries or Japan. Despite a vastly heavier defense burden, however, Korea does not enjoy the depth of commitment or multilateral support guaranteed to NATO states.

Second, Seoul and Washington must see each other's situation objectively and settle discord through mutual understanding. Patience and tolerance will be required to develop a relationship as mature partners. Yet such a partnership is necessary to prevent anti-American sentiment among some Korean classes and frictions caused by America's unequal trade practices from extending into the arena of defense burden-sharing.

Third, we must solve the problems we face thoroughly, on the basic of mutual interests, so as not to harm the traditional friendly relations that prevail between the two countries. Among our problems are issues like the withdrawal of U.S. forces from Korea, removal of the Yongsan base out of Seoul, and revision of the SOFA.

However, we must understand that the United States has continued to station more than one division of its forces in Korea all these years for Korea's stability, of course, but also to aid in regional stability, a link in America's world strategy. Thus, a solution to the current issue of defense burden-sharing can come when each country understands that the problem is a mutual one, one which proceeds from the mutual pursuit of national interests, one which can be solved by mutual trust and respect.

* Ministry To Foster Textile Industry

902C0078A Seoul MAEIL KYONGJE SINMUN in Korean 22 Nov 89 p 6

[Report: "The Ministry of Trade and Industry Draws Up a 7-Year Plan for a Structural Renovation of the Textile Industry To Lay the Foundation for $30-Billion Textile Exports and Become the World's No 1 by the Year 2000"]

[Text] The Ministry of Trade and Industry has drawn up a 7-year plan for the structural renovation of the textile industry aimed at catapulting the nation's textile

industry into the world's highest rank. Our textile industry has greatly contributed to the nation's high economic growth rate as a major export industry since the 1960's. However, entering the mid-1980's, it was confronted with the limits in its export capability as the nation's economic strength began to wane due to the appreciation of the value of the won currency, the weak technological foundation, and soaring wages. Furthermore, a sense of crisis is prevalent as late developing countries such as China and Thailand begin to catch up with our textile industry on the strength of low wages in these countries.

For this reason, our government has decided to present a long-range vision to bring about the resurgence of the textile industry with emphasis on high technology-based development. The ministry decided to convert the present labor-intensive industrial structure into a technology-intensive one similar to those in advanced nations by, above all, increasing productivity and achieving high product quality through technological innovations. To this end, the ministry has decided to take various supportive measures in areas such as capital investment and technological development, and the textile industry for its part has decided to conserve labor as much as possible.

When these joint efforts of the government and industry continue, our textile industry is expected to rank first in the world in terms of export with an annual export of $30 billion and be on a par with Italy and France in terms of quality by the year 2000.

Rational Marketing Strategy

At present, the domestic market accounts for 30 percent of the total output, but this proportion will be increased to 40 percent by 1995 and to 50 percent by the year 2000.

For the purpose of building a production system capable of instantly responding to changes in product preferences on the part of the consumers, periodic surveys will be conducted on the physical characteristics of the public and the trend of its fashion and color preferences. The plan calls for increasing exports to $23 billion by 1995 and to $30 billion by the year 2000.

The proportion of yarn and fabric exports—the areas which are highly technology intensive—will be increased to 40 percent by 1995 and to 50 percent by the year 2000 from its present 31 percent.

Highly Advanced Productive Structure

For a stable supply of raw and auxiliary materials, 1.2 trillion won will be invested to increase the daily chemical fiber output capacity to 1,800 tons and 1.35 trillion won will be invested in the cotton spinning sector to secure 1.13 million spindles by the year 2000.

In addition, 730 billion won will be invested in the combined wool sector to secure installations equipped with a total of 570,000 spindles.

In this connection, the rate of automation will be increased to 60 percent by 1995 and to 80 percent by the year 2000 from the present 46 percent level. To this end, 1,411 billion won will be invested with preference given to small and medium enterprises.

In addition, a Korean-style standard production process will be developed and popularized in each sector, and a model factory system will be introduced.

Switch to High-Grade Products

The development of new materials will be promoted in order to upgrade the quality levels on a par with those in Japan by 1995 and with those in Italy and France by the year 2,000.

As an initial stage, the properties of high value added materials already developed will be improved by 1991, and as a second stage, high-function, multipurpose, and innovative fabric materials will be developed by 1993. In the third stage, the industry will be induced to develop new materials for industrial use and high-tech new materials by 1995.

Each year the government will provide a total of more than 10 billion won in 40 different development assistance funds and foster small and medium enterprises specializing in the production of unique materials. Fashion streets will be established in Seoul, and efforts will be made to popularize fashion and make the public more fashion conscious.

Revamping of Export Order

The industry will refrain from excessive competition in the export of medium- and low-grade goods and expand the industry's voluntary "check pricing" system.

The phenomenon of excessive concentration on quota items will be gradually eliminated, and firms will do away with the OEM [original equipment manufacturing] export formula and concentrate on the export of their own brands. Negotiations with the United States will be stepped up in order to increase the quota share of natural fiber to 20 percent by 1995 from the current share of 6.1 percent, with emphasis on increases in quotas on high-grade fabrics.

In the product areas where the industry cannot fill the quotas for structural reasons, these quotas will be returned to the importing countries; but on the other hand, the quotas which fall short of the export needs will be increased.

The share of U.S. open quotas will be increased to the level of 50 percent from the current share of 22.4 percent.

*** Small Company Technology Development Discussed**

902C0087A Seoul MAEIL KYONGJE SINMUN in Korean 24 Nov 89 p 17

[Roundtable discussion: "Ways to Speed Up Small Businesses' Technology Developments"—jointly sponsored by the Korean Federation of Small Businesses and MAEIL KYONGJE SINMUN, on 15 November 1989 at the Korean Federation of Small Businesses Vice President's office, attended by Kwon Yong-hu, president, O-Sung Chemical Co.; Yi Kyong-tae, industrial research director, KIET; Choe Chil-yong, board chairman, the Korea Welding Technical Research Union; Han Ki-ik, technology policy director, the Ministry of Science and Technology; Ho Sang-yong, vice president, KFSB (Korea Federation of Small Business), moderator]

[Text] Moderator: Currently, on the threshold of industrialization, our economy is faced with a host of problems.

On top of the list, awaiting priority solution, is the problem of securing industrial competitiveness; consequently, the importance of technology development is being felt, with increasing urgency.

Presently, technologically advanced industrial nations are in fact avoiding the granting of technological transfers and otherwise raising protectionist trade barriers; therefore, the practice of manufacturing goods simply through technological imitations as we have been doing has reached its limit. Especially, small businesses, which are absolutely vulnerable in terms of funding and manpower, are experiencing even greater difficulties in the technology development area. I understand that the government is fully aware of this fact and is preparing various support measures.

First, Director Han Ki-ik, would you comment on efforts being made by the government for technology development?

Han Ki-ik: The Ministry of Science and Technology [MST], for which I have been working since the early 1980's, has made a great deal of efforts to develop policies and support systems to facilitate small businesses' technology developments.

Among them are, for example, the establishment of research institutes and research unions, the preferential treatment and support of small businesses in specified research and development [R&D] programs, the creation of the venture capital and technological guarantee system, various tax breaks for the period from technology development to its commercialization, and the special treatment for research personnel under the military service law. These measures, I believe, have made significant contributions to small businesses' technological developments.

As a result of these efforts, the investment climate has greatly improved in this area. Actually, the numbers of technology-intensive small businesses and venture firms have increased significantly.

However, when we look at our small businesses as a whole, most of them are, despite such government support systems, still bent on pursuing immediate profits, nontechnological profits that is. They fail to see technology as the source of growth and, as a result, are losing their international competitiveness. It is a frustrating reality indeed.

Also, speaking of the many support systems we have for small businesses, it is true that they either have shortcomings in linkage between systems or involve too complex procedures for wider utilization, and that as a result, they remain too rigid for swift and adequate replenishment in response to technological developments.

In a nutshell, in the case of tax breaks such as exemptions for technology development expenses, we started out by making them applicable primarily to businesses that began reporting an income; then we found that they are virtually nothing more than a pie in the sky for small businesses that either have no income or are in their initial, fledgling stage. With regard to reduced-duty or duty-free research equipment and materials, the rates of reduction and exemption are often not properly updated in a timely fashion, thus leaving the system unable to show results.

Moderator: Mr Choe Chil-yong, you are extensively involved in various technology development programs sponsored by the government. Would you tell us about the actual state of technology developments involving small businesses today?

Choe Chil-yong: In the industrial structure where technology is growing increasingly diverse, with further specialization in demand, the basic areas for small businesses to specialize in are extremely broad.

If individual branches lack willingness for R&D, the nations's overall industrial foundations will become weak and vulnerable and, needless to say, get behind in international competitiveness.

In particular, the five industries designated by the state as vulnerable—plating, heat treatment, casting and forging, welding, molding—have an overall impact on industry ranging from the daily necessities to high-tech industries. You may have a few high-tech industries but, with that alone, you cannot say that the overall industrial level has reached a high-tech level. From this point of view, one cannot overemphasize the pressing need for technology developments involving small businesses.

However, for their basic weakness with technology developments, including the weakness in funding and manpower resources, small businesses remain at levels where they still rely on simple processing or assembling techniques that produce only a low added value. Worse

yet, they are gradually finding themselves in even greater difficulty because of the increasing wages and other changes.

Particularly annoying is the fact that after all these years during which we have been busy copying high-tech goods, we are now awaking to find that we lack theoretical research on basic technologies and creativeness.

The government is indeed pushing a variety of measures in support of small businesses' technological developments, including the specified R&D programs and the industrial infrastructure development project, but most of the small businesses do not even know that they exist. It is also a problem that there hasn't been sufficient public information work to let people know how to use them.

However many fine systems we may have, they will not do any good unless they are put to effective use.

Furthermore, small businesses perceive R&D as time-consuming and costly in manpower and funds and, moreover, as involving risks. Therefore, they generally avoid them. This is a fact that cannot be concealed.

Moderator: Now, let me ask Mr Kwon Yong-hu to take up the case of enterprises actually making use of various government support systems and comment on where they find shortcomings.

Kwon Yong-hu: First, let me point out that the tax exemption clause on technology development expenses is currently administered in conjunction with the overall exemption limit system. Because of that fact, it is failing to show results.

Presently, technology developments have various tax benefits such as the reserve fund system, reduced duty and duty-free systems on equipment and material imports, and the corporation tax exemption on manpower.

However, such tax benefits are subjected to the overall limit under the tax reduction law, which stipulates that the total reduction shall not exceed 30 percent of the computed total amount of tax. For this reason, they are actually of little help to businesses.

Especially, since this percentage is applied to big businesses and small enterprises alike, it has proved to be, relatively, less of an incentive to the latter as far as technology development efforts are concerned. Therefore, I feel that the percentage should be raised from the present 30 percent to 50 percent or so for small businesses, thus distinguishing them from big businesses in the application of tax benefits.

Meanwhile, while the local tax law also provides for tax exemptions for facilities equipped for research and testing, its application is so stringent that we do not include such accessories as research rooms and seminar halls in our itemization.

Another problem is that the law does not recognize as deductible the various kinds of reception expenses needed for R&D activities.

From my own experience, I know that it takes a considerably large amount of expense for what I think should be put in the same category as receptions—such as information gathering and testing—to carry out one R&D project. I believe that there should be the same tax break for these expenses, too, as there is for expenses to explore overseas markets.

Lately, the cases of big businesses, the end user, developing technology jointly with small enterprises are on the increase and in such cases, measures should be taken to give the big businesses a tax benefit, too.

Moderator: The government has enacted more than 50 programs to help enterprises develop technology. It is a large number.

In the tax area alone, there are 15 different measures including the exemption for development of human resources. Also, the support provided by the government is diverse; we have 16 measures for funding support, 5 for procurement support, and 2 for informational support.

However, in the actual operations of these measures, I understand that numerous difficulties have been reported, including the wide gap between policies and their execution and the lack of complementary measures to update the laws.

Yi Kyong-tae: As Mr Ho Sang-yong pointed out, despite the fact that there are so many different systems to support their technology developments, small businesses are in fact unhappy and always complain that they are not enough. This suggests that those measures are not working to show the expected results.

While it is also a problem that the current scale of funding support is too small, we need an in-depth study to see if that support is directly leading to improvement in technological developments.

Furthermore, in connection with reports being poured out by university and state-run research institutes on various research results, I cannot but be skeptical about whether they are being effectively used and put to commercialization. It is a good example showing the gap between research and actual commercialization. I feel that in the future, the government should focus on filling this gap, while businesses, for their part, should also strengthen their self-help efforts to that end.

Moderator: Lately, from the viewpoint of upgrading the nation's industrial structure, the government has been putting emphasis on high-tech industries.

Consequently, it is expected that more small enterprises will venture into high-tech areas and play a bigger role in that connection.

Mr Kwon, I understand that you have been actively participating in high- tech development activities. So, what areas do you think are promising for small enterprises? And what type of role is there for them to perform?

Kwon: Fine chemistry is the high-tech industry my company is in.

In 1987, our country imported 620 billion won in fine chemistry products versus 218 billion in exports. The trade deficit thus reached some 400 billion won.

A breakdown of the imports includes 200 billion won in fuel, the largest item; 140 billion won in pharmaceuticals, and 100 billion won in farm chemicals.

Fine chemistry products are a typical multi-variety, small-quantity production item; there are more than 100,000 varieties. Big businesses cannot handle them all and, as a result, there exist a great deal of room for small enterprises.

However, since it is an area where small businesses' technological development capability is weak, I feel that they should, by forming research unions, step up their efforts for joint developments with big businesses.

Yi: A consensus has been reached to some extent regarding the importance of high-tech industries and the need to elevate them. At this time, therefore, the work of making this a reality through government measures should be expedited, I believe. People are now discussing the participation of small businesses in the elevaion of high-tech industries and, in my view, this fact alone should be considered a significant progress. In fact, it is impossible to expect the elevation of high-tech industries without vigorous participation of small businesses.

For instance, microelectronics and mechatronics require numerous parts and they cannot exist as industries without these parts.

Such parts have to be produced by small enterprises of specialized, technology-intensive types.

Small businesses are relatively dominant in a number of sportswear areas, too.

Speaking of the directions to be considered in the high-tech industry development, the government should first of all increase its share of the R&D cost at least to a 2 percent level of GNP within the next 5 years. For 1988, it was only 0.4 percent, a level even below those of rival nations such as Taiwan, not to mention industrial democracies.

Also, I think that there should be efforts to back it up by expanding the initial investment system and fostering small enterprises of technology-intensive type; building environments conducive to the creation of demand for high-tech products; establishing a warranty system for high-tech products through consolidation of the technological credit system; promoting technological applications through expanded exchanges between different industries, and easing restrictions on financial loans.

In addition, in order to relieve small enterprises of staffing problems, plans should be studied to make it mandatory for graduates of the Advanced Institute of Science and Technology to work short-term for small firms in high-tech areas.

Speaking of medium- and long-term measures, I think that funding support should be drastically increased for basic research activities at universities so as to secure research staff for high-tech industries.

Moderator: As Mr Yi just pointed out, small businesses are experiencing difficulty in securing manpower for technology developments.

Mr Kwon, since you are running your business, would you tell us how you see this problem?

Kwon: Take the case of my company. Till 3 or 4 years ago, whenever we ran a want ad in newspapers, there used to be responses from universities of relatively high standing.

Of late, however, as the wage gap widens between big and small businesses, job applicants from such universities have become almost nil. This is an open fact.

Worse yet, even among those we have trained with a great deal effort, we are losing them, one after another.

The number of doctorate holders in science and engineering as of 1987 was 11,450, including about 450 who are employed by business companies.

Of the latter, only about 30 are working with small enterprises and even this figure is diminishing gradually.

In my company, we have a few technological advisers working for us on R&D programs but the fact is that the support allowance we pay them does not officially count as deductible expense.

There should be some policy-level consideration to ensure decent treatment and encourage able employees to work for small businesses. Let me repeat it: Without a sustained growth of small businesses, our industry can hardly secure its competitiveness. I believe that with full awareness of this fact, the government should come up with epochal policy-level support programs.

Moderator: As Mr Kwon emphasized, as far as technology developments are concerned, the government's role has grown bigger than ever.

What plans does the government have to promote small businesses' technology developments in the future? I will be happy if I can also hear about plans industries have along this line.

Han: It may be said that the entire Korean economy is in a crisis situation now; from this point of view, the difficulty being experienced by small businesses may very well have reached a critical point as the international competitiveness fell due to the decline in productivity and deterioration in profits. Seen in this light, the 14 November government announcement on short-term measures to reinvigorate the economy, including a reduction of interest rates and supply of equipment funds, is of important significance.

However, my view is that the basic way to revitalize the economy and overcome this crisis lies in technology developments that create a high added value.

Therefore, the government should also work to improve its role by giving an overall review to all the programs and support systems that are currently in place.

Especially, by pushing the existing indirect measures which enhance the investment climate a step farther, it should come up with epochal, intensive programs dealing with the entire course from technology development to industrialization.

MST plans to actively promote specific R&D programs in the future, transfer high technologies obtained from these programs to small businesses for their utilization, and thus to create world-class high-tech small enterprise groups in all areas.

Also, MST has already drawn plans to promote automation and computerization of small enterprises through the use of the System Engineering Center and the Automation Technology Association.

However, before the government gets on with these measures to increase its support, small businesses themselves, I think, should adopt a new posture and begin pursuing the creation of commodities, technologies and services under a new concept, boldly doing away with the conventional mode of production relying on simple, standardized technologies.

Choe: Considering the weakness of small enterprises in basic technology, I think that it is a pressing task to revitalize the functions of the "industrial research union" that facilitates cooperative R&D activities.

In order to accomplish this task effectively, we ought to secure regular research personnel and the required equipment and materials, and then put everything we have into testing, training and commodity development.

The Welding Technology Research Union I am working with carried out all these things in a bold fashion, with clearly visible results such as remarkable improvements in auto welding technology.

Furthermore, while relying on our joint development system for 80 percent of basic, original technology, we leave the remaining 20 percent of technology to individual enterprises for development in an effort to stimulate competitiveness and prevent wastes of R&D funds.

I would like to point out that in either specific R&D programs or basic industrial technology developments, it is more effective to shift from a government-led format in the past to a private-led one.

Yi: I believe more strongly than ever that in the future, the government should integrate its technology and industrial policies in the interest of industrialization of technologies that have been developed.

Also, I wish that the surplus budget fund for the current fiscal year could be used for technological developments in a supplementary budget formulated early in the first half of the next fiscal year.

Brunei, Malaysia & Singapore

Malaysia

Compensation to SRV for Refugees Proposed

BK3101060390 Kuala Lumpur BERNAMA in English 0445 GMT 31 Jan 90

[Text] Kuala Lumpur, Jan 31 (OANA-BERNAMA)—Malaysia, in a bid to end its role as first asylum country to about 20,000 Vietnamese boat people, is offering monetary compensation to Vietnam to take back its people and to prevent further illegal emigration.

Foreign Minister Abu Hassan Omar said the Malaysian delegation now in Hanoi for the talks with Vietnamese officials Wednesday [31 January], would be proposing that Vietnam accept the 12,000 who had been classified as non-refugees in return for their compensation. The amount is being worked out.

The delegation, which is led by Foreign Ministry Secretary General Ahmad Kamil Jaafar, would discuss the quantum to be paid on a per head basis for the 12,000 boat people Vietnam took back. Abu Hassan said the cash compensation would only be discussed in principle as no sum had been fixed yet.

Britain is paying the Vietnamese Government 600 U.S. dollars per refugee it sends back under its present policy of repatriation.

Abu Hassan said the delegation to Hanoi would also discuss in detail the matter of the repatriation of refugees who want to return to Vietnam.

"The delegation would also propose that the Vietnamese initiate an orderly programme for its people who want to leave and stop illegal departures."

There are 12,000 vietnamese here who have not been accorded refugee status and the Malaysian Government is still screening boat people who arrived after the March 1989 cut-off date.

House Speaker Meets With USSR Visitors

BK3101134090 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 31 Jan 90

[Text] Parliament Speaker Tan Sri Zahir Ismail said many changes have taken place in the Soviet Union. In the past, it had a monopolistic economic system, but now it is adopting an open market system.

[Zahir Ismail recording indistinct]

This was disclosed by 16 Soviet parliamentarians who paid a courtesy call on Tan Sri Zahir at the parliament building today. The Soviet parliamentarians spent about 1 hour with the house speaker. They expressed their interest in the democratic practices in Malaysia where a similar system is being initiated in the Soviet Union.

The two sides expressed their desire to expand bilateral relations, especially in trade. The Soviet parliamentarians also invited their Malaysian counterparts to visit the Soviet Union in August. That would lead to an exchange of information and would help them understand the parliamentary systems of the two countries better. The Soviet parliamentarians also met several Malaysian counterparts and exchanged views with them. After that, they inspected the parliament building and were briefed on the proceedings of the House of Representatives and Senate.

Singapore

Diplomatic Ties With Madagascar Agreed

BK3101113090 Singapore Domestic Service in English 1100 GMT 31 Jan 90

[Text] Singapore and Madagascar have agreed to set up diplomatic relations on [words indistinct]. The foreign ministry said this is to strengthen and develop friendly relations between the two countries.

Cambodia

U.S. Envoy 'Warned' Sihanouk About Khmer Rouge

HK0102111890 Hong Kong AFP in English 1059 GMT 1 Feb 90

[Text] Beijing, Feb 1 (AFP)—The U.S. ambassador to China, James R. Lilley, has warned Prince Norodom Sihanouk that his alliance with the Khmer Rouge could have harmful consequences, a well-informed source said here Thursday.

A spokesman at the U.S. Embassy here confirmed that Mr. Lilley had spoken with the prince "within the last 15 days" but would not give an exact date or details of the talks which he said were of a "private nature."

The spokesman was also unable to say if the meeting took place before Prince Sihanouk announced on January 24 his resignation as head of the Cambodian resistance coalition, which joins the former Cambodian monarch's supporters with those of former premier Son Sann and the Marxist Khmer Rouge.

Prince Sihanouk, who lives in exile in Beijing, said when he resigned nine days ago that he was stepping down because of criticism from Western leaders and media that he was allying himself with the Khmer Rouge.

He also said the move was aimed at demonstrating he "would not shoulder the responsibility of what the Khmer Rouge (is) doing," and that he was in no way "an accomplice of the Khmer Rouge."

Also on Thursday, the prince made available to the press here a letter from his son Prince Norodom Ranariddh sent from Bangkok and dated January 30.

In it Prince Ranariddh said he had been "greatly discouraged" after being "clearly warned" by an unidentified ambassador in Bangkok of the "serious consequences of our 'cooperation and rapprochement' with the Khmer Rouge." The younger prince added, without explanation, that "the message was doubtless the same" as the one Prince Sihanouk had received.

The Chinese-backed Khmer Rouge is blamed for the deaths of hundreds of thousands of Cambodians during its near-four-year rule before being ousted by Vietnamese troops in 1979.

Prince Sihanouk said January 24 that he would retain his position as president of the Coalition Government of Democratic Kampuchea, which holds Cambodia's seat in the United Nations, because he did not want Cambodia's "state legitimacy" to go Phnom Penh's pro-Vietnamese regime.

Democratic Kampuchea was the formal name given to Cambodia by the Khmer Rouge when it overthrew the U.S.-backed Lon Nol government in Phnom Penh in April 1975, which in turn had overthrown Prince Sihanouk in 1970.

Soviet Envoy Says Paris Meeting 'Important'

BK3101114590 Phnom Penh SPK in French 1106 GMT 31 Jan 90

[Text] Phnom Penh, 31 Jan (SPK)—"The Soviet Union holds that the recent Paris conference of the five UN Security Council permanent member-countries was an important step on the road toward the resumption of the process of negotiations on the Cambodian problem and that it has given a big impetus to the development of a compromise and to the settlement of this problem."

This was stressed by Rashit Khamidulin, ambassador extraordinary and plenipotentiary of the Soviet Union to Cambodia, during a news conference he called in Phnom Penh recently.

Staff Meeting Reviews 1989 Emulation Work

BK3001090390 Phnom Penh Domestic Service in Cambodian 1200 GMT 29 Jan 90

[Text] A solemn meeting was recently held at the Political Department of the National Defense Ministry's General Staff to sum up emulation work in the General Staff in 1989. Attending in the presidium were, among others, Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the General Staff; Comrade Colonel Phuong Siphan, deputy chief of the General Staff; Comrade Major (Man Sarat), vice chairman of the Emulation Council of the General Staff; Comrade Major (Pu Sabudi), vice chairman of the Combat Commission, and several representatives of outstanding units and individuals.

After Comrade Colonel Phuong Siphan, deputy chief of the General Staff, had made an opening speech, Comrade Major (Man Sarat), vice chairman of the General Staff's Emulation Council, took the floor to sum up the General Staff's emulation achievements in 1989, stressing the results and achievements made by our units and cadres and combatants in the General Staff during the past year, especially in the fields of combat, combat readiness, unit building, ensuring good living conditions for the soldiers, building real revolutionary forces, in political education as well as military training and observing discipline.

The report also cited good experiences that can be used as examples for the 1990 emulation campaign.

Among the units outstanding in attacks against the enemy were the 50th mobile regiment, 70th regiment, and 68th regiment. Participants also heard speeches made by representatives of outstanding units and individuals advanced in the emulation work.

The meeting participants congratulated the 259 individual recipients of the State Council's National Defense medals and 9 units winning the National Defense Ministry's banners. Thirteen units and 25 individuals won the ministry's citation certificates and 7 units and 33 individuals won its citation letters. Three units won the General Staff's banners and 48 others won its citation certificates and letters.

In his speech, Comrade Lieutenant General Pol Saroeun clearly stressed the situation in the country and the world, especially the victories of our Armed Forces in the border region. He also spoke about the achievements made and heroism displayed by our Armed Forces and people over the past 11 years. In order to win more and greater successes over the three groups of reactionaries, the comrade urged all cadres and combatants to always heighten the sense of vigilance against the enemy and responsibility regarding the national defense task in order to become the core for the people in the attacks against the enemy and to realize the tasks entrusted by the party and people.

Pol Saroeun Addresses Military Region Meeting

BK3101065290 Phnom Penh Domestic Service in Cambodian 1200 GMT 30 Jan 90

[Text] A grand meeting was held during the past 3 days in Kompong Speu Province to sum up the outcome of the first stage of the 3d Military Region's 1990 dry-season military campaign and publicize the second-stage targets of the campaign. The meeting was chaired by Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the General Staff Department of the Cambodian People's Armed Forces [CPAF]; and the comrades members of the 3d

Military Region's Command, secretary and deputy secretaries of the provincial party committee, and commanders of Kompong Speu, Takeo, and Kampot provincial military commands and of various districts' military commands.

During the meeting, the participants listened attentively to the reports by the Kompong Speu, Takeo, and Kampot Provinces' military commands regarding the outcome of the first stage of the 1990 dry-season military campaign, reflecting a number of outstanding points and drawing good experiences from the first stage of the campaign for use in carrying out the campaign even more effectively in its second stage.

After Comrade Colonel Prum Din, commander of the 3d Military Region, read a directive setting the targets for the second stage of the campaign, Comrade Lt Gen Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the CPAF, spoke acclaiming the valiant spirit of the heroic army and militia units and people in the three provinces of Kompong Speu, Takeo, and Kampot who, being well aware of their duty toward the motherland, have contributed to fighting the enemies and assuming responsibility for national defense and construction tasks.

The comrade also referred to the national and international situation with regard to the Cambodian problem, particularly the victories scored by our armed forces along the border following the total withdrawal of Vietnamese Army volunteers from our Cambodian territory, thus inflicting heavy losses on the three reactionary groups. [words indistinct] were left on the battlefield and hundreds of others were captured.

Comrade Lt Gen Pol Saroeun made an appeal by stressing that [words indistinct] the armed forces must pay particular attention to training on combat tactics and political work in order to enhance their combat capabilities and unity around the party leadership, and to coordinate their combat activities in order to timely defeat all enemy maneuvers and ensure peace for our people and our country.

Paper Hails 18th National Assembly Session

BK0102065590 Phnom Penh Domestic Service in Cambodian 2300 GMT 31 Jan 90

[PRACHEACHON editorial: "Welcome the Success of the 1st National Assembly's 18th Session"—date not given]

[Text] In an atmosphere of joy, solidarity, and firm unity in which our entire party, Armed Forces, and people are independently fulfilling the task of launching the ultimate campaign to promote the emulation movement in attacking the enemy, building units, and defending and rebuilding the motherland in the spirit of the new resolutions of the party Central Committee, the National Assembly of the State of Cambodia—the supreme organ of the Cambodian people and state—most solemnly held its 18th session from 26 to 31 January 1990 and successfully closed it with the deepest sense of optimism and pride.

During this 18th session of the 1st legislature, National Assembly members of both sexes pooled the intellects of all forces to examine, analyze, and discuss issues with a high sense of responsibility for the destiny of the nation, deserving to be the true representatives of the Cambodian people.

During these past 6 days, the National Assembly attentively heard the report on the activities of the National Assembly during the interval between the 17th and 18th sessions; the report on the activities of the Council of State; the explanations of the four parliamentary commissions; reports on the activities of the People's Supreme Court and of the Prosecutor General's Office attached to the People's Supreme Court; reports on the military situation, national defense labor, and proselytization work; the report on the situation of the work to ensure political security and social order; and the report on national defense.

The National Assembly held lively debates on the basis of democratic principles and with consensus to find ways to enhance the efficiency of the state, social, and economic management in line with the changes and growth of the country.

Through their discussions, participants in the National Assembly session unanimously agreed that the open-door policy of the party and state—particularly the five-point economic policy put forth by the second national conference of party cadres and the five economic components described in the Constitution—has ensured the success of the implementation of the first social development program. They agreed, however, that the immediate task is to control and promote respect for and enforcement of laws. As for the key to solve the difficulties arising from the imbalance between demands and supplies, between prices and values, and between exports and imports, it was agreed that it is necessary to mobilize forces to promote production, service, and business in support of the front line and for the upgrading of the people's living standards.

The National Assembly most profoundly admired the heroic combatants of the Cambodian Armed Forces and the people throughout the country who, throughout the past year, fought most valiantly, frustrated all the military adventures of the enemy, and won brilliant victories—thus handing most serious and shameful setbacks to the dark ambitions of the enemy to spread the flames of a large-scale civil war all over the country. They expressed warmest greetings and profound gratitude to all Vietnamese volunteer troops who came to the rescue of the Cambodian people and returned home last September.

During this 18th session, the National Assembly adopted the socioeconomic targets of the 1990 state plan;

endorsed the balance between income and expenses of the 1989 fiscal year; approved the objectives of the financial and budgetary tasks of 1990; and ratified the law on the reshuffling of the role and function of the General Department for Rubber Plantations, according to which—besides the existing tasks—the department is entrusted with the work of conducting rubber exploitation throughout the country and importing and exporting rubber in quotas set by the government.

At the same time, the National Assembly urged all state institutions and work units throughout the country to raise the sense of thrift, enhance the respect for and enforcement of laws, and reduce squandering and negative and risky aspects in the economic field in order to increase budgetary income for national development and real social democratization.

As genuine representatives of the Cambodian people throughout the country, the members of the National Assembly of the State of Cambodia once again expressed regret at the fact that the United Nations continues to permit the genocidal Pol Pot-Ieng Sary Democratic Kampuchea regime to occupy the Cambodian seat, ignoring the real situation in Cambodia and the goodwill of the Cambodian people in the search for a solution within the regional framework and the framework of the Paris international conference. This stance taken by the United Nations is utterly opposite to the principle of impartiality of this important international organization.

Starting from the position of being fully responsible for the destiny and future of the nation and by virtue of the Constitution of the State of Cambodia, the National Assembly has decided in principle to welcome the correct role of the United Nations in the search for a political solution to the Cambodian problem. It has agreed to put in the hands of Comrade Hun Sen, chairman of the Council of Ministers and minister of foreign affairs, the right to prepare a detailed program of action on the basis of the absolute need to preserve the rebirth of the people and motherland, the rights and freedoms, the present interests of the Cambodian people throughout the country, and the respect for human rights without resurgence of the genocidal regime in Cambodia under whatever form.

The National Assembly appeals to world public opinion, political personalities, legislative organizations, and governments of all peace-, justice-, and democracy-loving countries to make their best contributions—in all forms—to support the efforts to find a political solution for the Cambodian problem and to use all their influence to end the civil war and prevent the danger of the return to power in Cambodia by the genocidal Pol Pot regime.

The Cambodian people warmly welcome international participation in effecting the cease-fire, the cessation of military supplies to all warring Cambodian factions, and international control as steps toward a comprehensive political resolution of the Cambodian problem.

On this most solemn occasion, the Cambodian people throughout the country most warmly welcome the success of the 1st National Assembly's 18th session, which spared no efforts to thoroughly examine, analyze, discuss, and adopt major issues of the country for social development, peace, and happiness of the people. United as one under the enlightened leadership of the Kampuchean People's Revolutionary Party, we pledge to make every kind of sacrifice and successfully implement all the decisions of the party and state, especially the resolutions of the 10th party Central Committee plenum and all principles just adopted by this 18th National Assembly session in order to advance toward realizing at all costs the strategic objectives set by the fifth party congress.

Army Paper Calls for More Vigorous Struggle

BK2801085190 Phnom Penh Domestic Service in Cambodian 1200 GMT 27 Jan 90

[KANGTOAP PRACHEACHON KAMPUCHEA editorial in recent issue: "Pledge To Fight for the People and Motherland"]

[Text] In the past 11 years, our people have been living as masters of their own destinies with resolute determination to fight for the defense of our new regime.

Our position of strength and of victory has been enhanced constantly with each passing day, thus creating our all-round superiority over the enemies of all stripes. This advantageous position is displayed through the irrefutable proofs of our achievements scored since the liberation day on 7 January 1979 to date. As a matter of fact, 1989 was the most significant year for our country in this stage of resolute struggle between us and the enemies. It was the year when Cambodia's own forces assumed responsibility for the tasks of valiantly fighting and checking the return of the genocidal Pol Pot regime. This fierce and undaunted struggle has been waged through the spirit of patriotism and love for peace and justice and with an aim to effectively defending the people's lives, property, houses, rights, and interests and the splendid Angkor tradition—the soul of our heroic Cambodian people's famous civilization.

The brilliant victories that we scored in 1989, particularly in the 3 months following the total withdrawal of the Vietnamese Army volunteers, were made possible thanks to the great sacrifice made with a valiant spirit in terms of flesh and blood by our cadres, party members, combatants, and people.

It is true that war always brings untold misery and destruction. Truly, our Cambodian party and state do not want to prolong our people's misery. But the reactionary Pol Pot-Sihanouk-Son Sann groups have compelled us to take up arms and fight for our final goal, that is to enable the people to be genuine masters of their own motherland, enjoy peace, rights, and freedoms, and live happily with their families free from the threat of the recurrence of the genocidal danger.

The total withdrawal of Vietnamese Army volunteers from Cambodia and the proposal for another informal meeting on the basis of the initiatives by the Thai prime minister and the Australian foreign minister and the Namibia formula manifest the State of Cambodia's goodwill for peace in order to create conditions favorable to the search for a reasonable, just, and peaceful solution in Cambodia.

Contrary to this, the three traitorous Cambodian groups have made every effort and mobilized nearly all their forces, provided with more modern arms and financial aid by a number of international reactionary powers, to launch a large-scale, adventurous offensive in the west and northwest provinces, particularly along Route 69 adjacent to the Thai border, in an attempt to topple our State of Cambodia through military forces.

Through this, we can see quite clearly who is seeking peace and who is trying to create war, bring about misery and separation, and oppose the rebirth of the Cambodian people.

Prompted by this situation, the task that all our Armed Forces and people must carry out for our motherland is to fight resolutely and valiantly in order to smash the enemies of all stripes until we win total victory. Most importantly, in the coming dry season, a decisive period which is very important to the fate of our national society, our entire party, Armed Forces, and people must struggle resolutely, with a sense of mastery and self-reliance, in order to successfully realize the final goal of the party and state, that is for all the people to live happily in our State of Cambodia, a state which is independent, peaceful, independent, neutral, and nonaligned, enjoying sovereignty and territorial integrity, and advancing toward social progress.

We must all choose between victory or defeat on the battlefield. Comrade General Secretary Heng Samrin said at the meeting marking the 11th anniversary of our 7 January national day that the Armed Forces are vital to the political regime and state power. To realize our goal of victory, the party, state power, and the Armed Forces must effectively carry out the ideological work, fight the enemies even more vigorously, strive to build real forces, and improve the livelihood of our soldiers and people to a greater extent.

Prospects of Upcoming Peace Talks Viewed

BK3001112990 (Clandestine) Voice of the Khmer in Cambodian 0400 GMT 30 Jan 90

[Political commentary: "The Joint Struggle Conducted by the Cambodian Resistance Forces Against the Vietnamese and Their Lackey Communist Regime Is To Settle the Cambodian Problem Successfully"]

[Text] Peace talks on the Cambodian issue are likely to reconvene in Jakarta, Indonesia. One wonders whether these talks can break the deadlock on the Cambodian problem or whether they again will be stalemated. The anticipated meeting in Jakarta will very likely discuss a UN trusteeship of Cambodia until free elections are held in the country.

The UN role in governing Cambodia and organizing free elections as proposed by Australia conforms with the desire of the Cambodian resistance movement to hold elections in order to restore a Cambodia with full independence and sovereignty; a Cambodia without submission. We do not object to the proposal, which will help Cambodia to regain its independence. However, in our opinion, the free elections are strongly against the desires of Vietnam's communist Heng Samrin regime since this appears to be an instrument to uproot and exterminate the Vietnamese lackey regime in Cambodia. The elections are also against the Heng Samrin-Hun Sen group's personal interests because the group would lose the power and position endowed by the Vietnamese. As such, we wonder whether the Heng Samrin-Hun Sen regime will agree with holding genuinely free elections at the forthcoming meeting. We cannot be a hundred percent sure of the outcome.

Nevertheless, the question is whether the Heng Samrin-Hun Sen group will accept the truly free elections which will eventually become its suicidal instrument. Besides, the group can never make a decision without the prior consent of its Vietnamese master. This is a well-known truth. Will Vietnam agree to this issue? It is natural that Vietnam wants to reap the benefits as it has spent enormous resources in its invasion to install the communist Heng Samrin regime to control Cambodia. As such, we anticipate that at the upcoming peace talks, or other meetings, the deadlock will continue since Vietnam and its proxy regime always try to delay or avoid free elections in Cambodia. Therefore, in order to ensure that the peace dialogue is a success, it is necessary for all Cambodians to continue to do their utmost by jointly bringing more pressure to bear on the Vietnamese-installed regime and, specifically, on the Hanoi authorities—the mastermind of the Heng Samrin regime—until they agree to renounce their policy of controlling Cambodia and allow the country to regain its independence.

Evidence has shown that the communist Hanoi authorities are very obstinate when dealing with the issue of controlling Cambodia. Without the most forceful pressure, they will never soften their stance. Therefore, every Cambodian has the duty to join hands with the noncommunist Cambodian resistance forces to continue putting stronger pressure on the communist Heng Samrin regime and the Hanoi authorities. This is the only way to restore peace and independence in Cambodia.

50 'Enemies' Killed in West Battambang

BK0102012690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Jan 90

[Text] On 25 January, the Vietnamese enemies and their puppets sent a regiment of troops from Ta Kream and O Pong Man in an attempt to resist us at Boeng Krasal on

west Battambang battlefield. Our forces ambushed and routed these Vietnamese-puppet soldiers when they reached Chi Ros. They retreated in disarray. We killed 50 of them, including a battalion commander, and wounded others. The enemies left 26 dead bodies on the battlefield. We seized 22 AK's, 4 B-4's and B-41's, and a quantity of assorted ammunition and war materiel.

Villages in Southwest Phnom Penh Said Freed

BK0102013690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Jan 90

[Text] On 26 January, our Cambodian national resistance forces attacked a Vietnamese battalion position in Don Teav Monastery, Srang commune, Kong Pisei District, southwest Phnom Penh battlefield. We killed 10 enemy soldiers, including a company commander, wounded 15 others, and captured 4 others. We seized 12 AK's, an RPD, 2 RPK guns, 3 B-40's, 2 drum-magazine machine guns, and a large quantity of ammunition and war materiel. We liberated 11 villages, namely Roluos, Veal, Svay Chrum, Thlea, Don Tei, Svay, Andong Pra, Moha Sranok, Ta Van, Sre Man, and Thlok Don Sar, and freed 50 village administrators and 2 inhabitants.

Combat Activities in South Sisophon Reported

BK0102003290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Jan 90

[Text] Our national resistance forces attacked and smashed three battalion positions and two company positions of the Vietnamese enemies and their puppets on South Sisophon battlefield.

1. On 26 January, our national resistance forces attacked and smashed two battalion positions of the Vietnamese enemies and their puppets at Prey Khmaoch and Ta Hen and two company positions at Kap Chen and M'kak. We killed 25 Vietnamese-puppet soldiers and wounded 46 others; destroyed an ammunition depot full of assorted ammunition which exploded for 2 hours, 33 AK's, 8 B-40's and B-41's, a DK-75, an 80-mm mortar, and a 60-mm mortar; seized 6 AK's, an 80-mm mortar, a telephone set, and a quantity of assorted ammunition and war materiel; and freed 8 village administrators.

2. On 27 January, our national resistance forces attacked and smashed a battalion position of the Vietnamese enemies and their puppets at Ampil Pram Daeum. We killed 20 Vietnamese-puppet soldiers and wounded 26 others; destroyed 5 AK's, a DK-75, a DK-82, 2 60-mm mortars, 3 B-40 and B-41 guns, a tractor, a truck, and a quantity of assorted ammunition and war materiel; seized 2 AK's, a B-40, an RPD, a pistol, and a field radio.

Son Sann Talks About Cambodian Peace

BK0102110290 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Feb 90

[Interview with Son Sann, president of the Khmer People's National Liberation Front and prime minister of the Coalition Government of Democratic Kampuchea, by unidentified station correspondent; place and date not given—recorded]

[Text] [Correspondent] I am a correspondent for the Voice of the Khmer [VOK] radio. Greetings to Your Excellency President of the Khmer People's National Liberation Front [KPNLF]. Please allow me to ask the following questions on behalf of VOK compatriot listeners.

The first question: I have heard reports that you visited Beijing and held talks with Samdech Norodom Sihanouk on finding a solution to the Cambodian problem. Can you please tell the VOK compatriot listeners what points you discussed with the Samdech and on what points agreement was reached on a solution to the Cambodian problem?

[Son Sann] First of all, I would like to thank VOK for providing me with an opportunity to talk to compatriots along the border and in Cambodia. Concerning your question, I considered it my duty. I have been working and serving the nation since 1935, and with Samdech Norodom Sihanouk between 1946 and 1968. I spoke with him because it is now closer to the time for finding a solution to our Cambodian problem. You are aware that the five superpowers agreed to meet in Paris already. And, soon they will meet again in New York. It is time that the KPNLF nationalists consulted with Samdech Norodom Sihanouk, another nationalist side, to discuss a solution to the Cambodian problem so that our Cambodia gets genuine independence with complete freedom for our compatriots, for democracy, for religion, and for our long-standing good traditions. Therefore, I went to see the samdech and exchanged views with him.

I want to tell you that he and I currently have no disagreement on building our country in the future and on the way to do it, as long as it benefits the Cambodian people and ensures that they enjoy genuine independence. Therefore, we had to consult with the samdech. However, I will keep this [the details of the talks with Sihanouk] until meeting with other Cambodian sides and with the five superpowers, and will implement the points we agreed upon.

[Correspondent] Thank you, Your Excellency President. On the meeting of the five superpowers, members of the UN Security Council, I have seen reports about a 16-point statement. What are your views on the 16 points of this statement from the recent meeting of the UN Security Council in Paris?

[Son Sann] I was in France. While attending the UN meeting in New York, I was making efforts to secure

more votes than last year. This was achieved. After that, I stayed in France to closely follow the five superpowers' meeting. Some circles are now saying that the current Cambodian conflict is the result of disagreement among some superpowers. We Cambodians are fighting among ourselves to assist those superpowers. Therefore, I would like to say here that the 16 points agreed upon by the five superpowers represent a policy showing that the five superpowers are all in agreement. Now that these five superpowers are in agreement, there is no reason for us Cambodians to still be in conflict. These 16 points represent the five superpowers' agreement. However, this is in principle; details have yet to be worked out.

After the recent Paris meeting, I would like to disclose this to you. Early in the morning, a representative from a superpower arrived at my residence to brief me. At noon, a representative from another superpower asked me to lunch and told me the details of the meeting. In the afternoon, I met with a representative of yet another superpower. In short, all of them want to be reconciled and to find a way for our Cambodian people to have peace. Right from the start, I always wanted to tell the superpowers not to listen to Pol Pot, not to ask Hun Sen or me. It is the Cambodian people who should be asked and measures worked out on how to organize elections so that all of our people can express their opinions. This is the principle.

[Correspondent] Thank you, Your Excellency President. On the process to find a solution to the Cambodian problem, the Heng Samrin-Hun Sen side recently put forward a proposal calling for two governments in two regions of Cambodia and for letting the United Nations supervise the elections. What are your views on this proposal by the Heng Samrin-Hun Sen side?

[Son Sann] This should be put to our Cambodian compatriots. How big was our country in the past? A lot of it has been lost because of internal conflicts. Now, do we want to split the country even further? Although these people reply that this will only be temporary, I say it should not occur, even temporarily. We should preserve Cambodia's entity and sovereignty. Therefore, we should not divide Cambodia into two, three, or any number of parts. Cambodia should be preserved. I have always asked Cambodians and the four parties to unite and cooperate and to organize elections so that our compatriots can express their views and decide the country's destiny by themselves.

At first, at the Paris conference, in accordance with Samdech Norodom Sihanouk's proposal—with which we and the Khmer Rouge went along—the four parties were called on to reconcile matters among themselves, set up a quadripartite coalition government, and organize free elections. At that time, if the other side—the Phnom Penh side—had gone along with Samdech Norodom Sihanouk's proposal, there would have been no more killing and no more suffering as of September. The suffering of the past few months is a result of this intransigence. Now it is time to agree. If that side turns to saying that people should stay where they are, it will only make other people laugh. This is because the Khmer Rouge, who have been advancing, cannot be stopped now. I said to that side many months ago and have repeated many times over: Do not try to win through fighting; there is no way. Only Cambodia and the Cambodian people will suffer. Please be informed that now it is not the time to divide Cambodia into two or three parts, even temporarily. Cambodia's sovereignty and entity should be maintained.

[Correspondent] Thank you, Your Excellency President. On this point—the setting up of a quadripartite coalition government—the Heng Samrin-Hun Sen side has been saying in its propaganda that it is difficult to achieve, citing as burdens various related issues such as finance and personnel. What are your views on this?

[Son Sann] I do not know what our compatriots think about this. People who are administering a country have power. However, they also have a duty to find money to feed soldiers and build roads and other things. We are calling for unity and organized elections and continued unity in the future. Now is not the only time I have called for unity; I have been saying this since the 1960's. I stated in the book "Who's Who in Cambodia" in 1963 that in my view, our independent Cambodia can survive only through the unity of our compatriots and with a genuinely neutral regime adhering to nationalism. I said this a long time ago. We have to unite. To unite, everyone has to be included. We cannot unite and share only power, not the burden. One side cannot say it has a big burden. If we are going to unite we should share everything—power, happiness, and suffering. This is the way among compatriots and those belonging to the same nation. Those who do not share this view are not Cambodians in their thinking.

[Correspondent] Thank you, Your Excellency President. On efforts to solve the Cambodian problem, do you have anything else to add for our compatriots and VOK listeners?

[Son Sann] I would like to inform all compatriots—some of you know me, others do not. I would like to tell you that I have been serving our nation since 1935, over half a century. I desire only that our country become independent again, not under the control of others, and I want national unity. This is my sincere desire. Compatriots, please think back. It has been many months since I made this statement. Those in Phnom Penh have said they do not want the Khmer Rouge to return to Phnom Penh; therefore, they will fight. They have asked the samdech and me to fight together to prevent the Khmer Rouge from returning to Phnom Penh. If we refused, they would fight an all-out war. I said I do not like a small or big war because our compatriots have been suffering for many years already. It is true that compatriots inside the country do not want the Khmer Rouge to be in power again. I also do not want this. However, there are two ways; one is to continue fighting. The Phnom Penh side listened to Vietnam and wanted to

fight. I said Vietnam fought the Khmer Rouge for 10 years and failed to destroy the Khmer Rouge. What is Phnom Penh counting on in affirming that it can do so? If Phnom Penh cannot get rid of the Khmer Rouge, it will continue to fight on for many more years. During that time, our compatriots will suffer; those who will be killed will be Cambodians, those who will be wounded will also be Cambodians, and so will be the widows and orphans.

I have begged those people to stop this. There is another way. If you fight to prevent the Khmer Rouge from returning to Phnom Penh, in my view, you are opening the door for the Khmer Rouge to return. Not many people believed me when I said this. Now they do. They now say that everyone should stay where they are. How can the Khmer Rouge agree to this? In saying this sort of thing, people should be realistic. There is now only one way. Compatriots, listen to me once again. I say there is another way. We should be reconciled and unite and get the Phnom Penh side to sit together in Paris. There should not be any problems. I want the Phnom Penh side to be genuinely reconciled and united. It has refused and wants to divide the country. Nobody agrees to this. We cannot accept this.

Thus—if you realize that I was right from the beginning—if you want to divide the country, want people to stay where they are, and want to continue fighting, soon the Khmer Rouge will be in Phnom Penh; you cannot stop this. I am cautioning you against taking the road to war. Be reconciled and organize elections. If we do not vote for the Khmer Rouge, they will have no further role. Furthermore, there will be no more fighting and no more suffering. I am begging everyone who asks the United Nations for assistance. This organization should not interfere or help me, but help Cambodia and the Cambodian people. We, the four Cambodian parties, should get together and be part of a government, regardless of its name, and let the United Nations be in charge. This organization will go along with our desires and the people's will and view for peace and happiness. That is all.

[Correspondent] Thank you, Your Excellency President. It has been noted in the past few months that the KPNLF has liberated increasing numbers of Cambodian people from the grip of communist Vietnamese and Heng Samrin-Hun Sen. What can you say to our listeners about the organization within the framework of the KPNLF?

[Son Sann] I would just like to call on our compatriots inside the country to consider carefully. If I say too much, it could be taken that I am boasting and praising myself. I would like to say this. We are now in control in Banteay Chhma. Come and see for yourself. Take for example the sale of paddy. People living in Banteay Chhma have now returned to their land and homes and are working their own land. Soon, there will be a harvest. We do not force people to sell paddy to us; we do not call people traitors if they do not sell paddy to us. It is free. People can sell or refuse to sell. [Words indistinct] We do not force people to sell and later compel them to buy from the state at a higher price. There is an elderly man who witnessed the way we do things and said: Now this is genuine freedom and human rights. This is according to an elderly man in Banteay Chhma. Please do come and see this for yourself. [Words indistinct] We asked for contributions to build monasteries and schools. We do not levy taxes from monks and monasteries. We help them instead. These are just a few examples. However, do not just take my word for it. Do go and see for yourself.

[Words indistinct] zones we, the KPNLF, have liberated are inhabited by civilians. I do not allow combatants to stay in these zones and villages. Combatants have been ordered to stay in the jungle or move forward. Therefore, I again and again appeal to compatriots in Phnom Penh not to kill fellow Cambodians. Do not fire artillery shells on our areas to kill fellow Cambodians. This is not good. I also call on our side not to kill fellow Cambodians. We have the duty of liberating Cambodia from Vietnam. There are still Vietnamese aggressors in the country; they have not all gone yet. The tripartite resistance movement has sufficient evidence to show this. Captured Vietnamese soldiers have admitted this. Vietnamese troops wearing Cambodian uniforms are in fact Vietnamese soldiers. We are looking for these Vietnamese. All compatriots in the country, please do not kill fellow Cambodians. Please understand this and do not fire artillery shells on our nationalist liberated zones. If you continue to do this, you will be guilty of [words indistinct] crimes.

[Correspondent] [Words indistinct] anything to add to our compatriots and VOK listeners?

[Son Sann] I have already said not to kill Cambodians. The idea [?of fighting] is not that of Cambodians. Therefore, I would like to ask compatriots within the front [KPNLF] to please abide by the front's discipline. You are aware of what we are implementing in Banteay Chhma. We should serve, save, and defend the Cambodian people. Please avoid violating human rights. Please adhere strictly to our KPNLF discipline. I am aware of ongoing inappropriate activities. Please stop them. I beg you and still count you, combatants, as members of the front. Today I appeal to you compatriots for the last time. If you do not listen to me, I will not be responsible anymore. I may not be able to count you among us in the future.

[Correspondent] Thank you, Your Excellency President. On behalf of VOK compatriot listeners, I would like to thank Your Excellency Son Sann, president of the KPNLF and prime minister of the Cambodian coalition government, for telling our compatriots [words indistinct].

Philippines

Further Reportage on Effects of U.S. Aid Cut

Manglapus Comments

HK3101121790 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 31 Jan 90

[From the "GMA News" program]

[Text] Foreign Affairs Secretary Raul Manglapus said that any cut in the U.S. military aid to the Philippines will affect the forthcoming talks on the bases. According to Manglapus, the aid cut may be used as a basis for evaluating the Americans' credibility. Earlier, U.S. Senator Robert Dole proposed a 50 percent military aid cut for five countries, including the Philippines.

[Begin Manglapus recording in English] It would certainly have to be considered by this government in evaluating the credibility of the United States commitments in the future. [end recording]

Meanwhile, Defense Secretary Fidel Ramos stated that Clark Air Base and Subic Naval Base are still important to the United States, adding that the country could use this as bargaining leverage in the bases exploratory talks in March.

Ramos on Impact

HK3101102190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 Jan 90

[Report by Vic Pambuan from Malacanang Palace]

[Text] A 5 percent cut in U.S. military assistance to the country will not affect the military's counterinsurgency campaign. This was stated by Defense Secretary Fidel Ramos.

Speaking in an interview at Malacanang Palace, Ramos said that U.S. military assistance is not used directly in dealing with security problems, including counterinsurgency, but is used to modernize the facilities of the Armed Forces of the Philippines.

Ramos also revealed that Philippines can obtain funds from other sources for its campaign against insurgents, secessionists, criminals, and other threats to overthrow the current administration. However, he also said that the United States should honor its financial commitments to the country, notably an agreement granting $200 million to the Philippines this year and a similar amount in 1991.

[Begin Ramos recording, in English] We will just have to stick to the agreement inasmuch as there is a commitment in regards to the military assistance program of $200 million for 1990 and a similar amount in 1991. Of course, these are best efforts pledges and need congressional action. There is also the matter of the conversion of the $29.4 million worth of FMS, or foreign military sales credit balances, so that these could become grants. [end recording]

Ramos also said that there are still many agreements which should be honored by the United States, including improvement of housing conditions for squatters around Clark and Subic Bases, purchase of Philippine products, and others.

Meanwhile, Ramos also called on the public not to worry and to ignore reports about foreign arms shipments to rebels as he dismissed such reports as false.

Officials Express Views on U.S. Bases Issue

Ramos Cites Leverage

HK0102051790 Manila THE MANILA CHRONICLE in English 1 Feb 90 pp 1, 3

[By staff members Marites Paez and Chay Florentino]

[Text] Defense Secretary Fidel V. Ramos yesterday said the exclusion of Clark Air Base and Subic Naval Base in the list of overseas U.S. bases that may be scrapped provides the Philippines a "bargaining leverage" in the coming bases exploratory talks.

Ramos said Pentagon's decision simply to reduce the staff at Clark and the San Miguel Naval Communications Stations in Tarlac indicated that Clark and Subic were still "very, very vital" to the United States.

Ramos hinted that the Philippines could up the ante should it decide to enter into a bases treaty after the present executive agreement expires in September 1991.

U.S. Defense Secretary Richard Cheney had proposed the closure or reduction of forces of 60 military bases in the U.S. and 14 others overseas because of budgetary pressures from the U.S. Congress.

In a related development, Foreign Secretary Raul Manglapus said any U.S. move to cut military aid to the Philippines by 5% would affect the coming talks to decide the fate of the U.S. bases.

"It would certainly be considered by this Government in evaluating the credibility of U.S. commitment in the future," Manglapus said, reacting to reports that U.S. President Bush was amenable to a 5% cut in military aid to the Philippines, as proposed by Republican Sen. Robert Dole.

"We would not be happy about any reduction because these are commitments of the U.S.," Manglapus said.

Ramos, in a separate interview with Malacanang reporters, said the U.S. "must stick" to its commitment to provide a total of $400 million for the Military Assistance Program (MAP) for 1990 and 1991.

Ramos said any aid reduction would affect the "overall upgrading and modernization" of the Armed Forces of

the Philippines. It also would not sit well with the Government since the U.S. under the 1988 Memorandum of Agreement on the bases signed by Manglapus and then U.S. Secretary of State George Shultz, has yet to fulfill its other commitments.

Meanwhile, Gaston Sigur, former U.S. assistant secretary of state for East Asian and Pacific Affairs, said that despite the reductions in U.S. Armed Forces overseas and the budgetary constraints, Washington would fulfill its commitments to its allies in the region.

Sigur, here to attend the Japan Forum for Philippine Progress, said the reduction of the American presence will be "done carefully" so as not to harm to U.S. allies.

Earlier, U.S. Defense Secretary Dick Cheney had proposed cuts in U.S. forces covering 12 bases, including three in South Korea and the U.S. naval communications station in Zambales.

Sigur said that with the lessening of international tensions, U.S. forces overseas would be reduced but "that doesn't mean, in my view, there will be any change in terms of the American commitment to its friends and allies."

Sources close to the bases committee said "there is pressure on both sides" to finish negotiations before the present agreement expires on Sept. 16, 1991.

The Constitution states that any extension of the bases agreement after 1991 would have to be in the form of a treaty ratified by two-thirds of the Senate and recognized as such by the other party.

Unlike Greece where negotiations are still ongoing despite the expiration of the bases agreement with the U.S. last year, the Philippine Executive branch cannot file a bill seeking a six-month extension of the pact. The Constitution is very clear about the 1991 deadline.

Should the 1991 deadline lapse with no agreement being reached between the Philippines and the U.S., the current bases accord will be considered expired, sources said.

Sigur, who is currently a professor for East Asian studies at the George Washington University, also expressed optimism that Manila and Washington would be able to work out a new bases agreement.

USSR Envoy Makes Statement

HK0102111390 Hong Kong AFP in English 1047 GMT 1 Feb 90

[Text] Manila, Feb 1 (AFP)—The Soviet Union has withrawn its offensive forces from Vietnam as a first step towards a total pullout from its foreign outposts in Asia, Soviet Ambassador to the Philippines Oleg Sokolov said here Thursday. He welcomed proposals by U.S. Defense Secretary Dick Cheney to close 12 U.S. overseas bases, including three air bases in South Korea, and reduce activities at a naval communications facility at San Miguel in the Philippines to cut costs. But he warned that attempts "either from within or from outside" to dismember the Soviet Union could endanger world peace.

"We have started cutting our presence in the port of Cam Ranh by arrangement with Vietnam" with the end of converting its forces in the region to a "purely defensive structure," Mr. Sokolov told a business group here. He confirmed press reports that MiG-23 fighters and Tu-16 bombers stationed at the U.S.-built Vietnamese base "were already withdrawn from there at the end of last year." He did not say how many planes were withdrawn, but later told reporters that "between six and 10 planes which do not have offensive capability" were left on the Cam Ranh airfield.

Troop cuts in Soviet Asia by the end of the year would total 200,000 men including 120,000 soldiers in the Soviet Far East, and Soviet naval activities have also been sharply reduced, he added. "The day when there will be no Soviet military presence in Asia beyond our border is near," he said.

Mr. Sokolov stressed that the Soviet moves were "not designed to influence in any way" the coming talks between Manila and Washington on the future of Clark Air Base and Subic Naval Base in the Philippines, the two largest U.S. overseas bases. Mr. Sokolov criticized the United States for its alleged failure to give "any concrete positive reply" to Moscow's specific proposals aimed at reducing tension in the Asia-Pacific region.

Philippine President Corazon Aquino said on Tuesday that Washington had informed Manila that Soviet policy in Asia has not changed enough to allow "significant reductions in the U.S. military forces in the Asia-Pacific region at this time." Mr. Sokolov later told reporters he welcomed Mr. Cheney's closure plan. "I would hope that what has been proposed are in the right direction. This is exactly what is needed for better security in the region. I would like to take that as a beginning," he said. He said Moscow was concerned that while medium-range nuclear missiles have been struck from the arsenal of both superpowers, "the arms race in naval forces continues largely unchecked."

On the current unrest by Soviet minorities, Mr. Sokolov said the Soviet Baltic states "at least adhere to political and legal means to attain their goals", but that violence in the Transcaucasus forced the hand of Soviet central authorities. He said Soviet leader Mikhail Gorbachev believed in greater autonomy and self-government for the Soviet constituent republics, and that there were "more reasonable ways" to accommodate national interests than secession. "The integrity of the Soviet Union ... is a great stabilizing factor in contemporary world affairs," Mr. Sokolov said.

"Disturbing that factor, either from within or from outside, would not only create additional political, military and economic difficulties but could seriously jeopardize the existing international structure as a whole," he said.

U.S. Naval Cutbacks Urged

HK0102105690 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 1 Feb 90

[Text] The Soviet Union has called for talks to reduce naval forces, particularly those in the Asian-Pacific region. The call was made by Oleg Sokolov, USSR ambassador to the Philippines, in a speech in Manila.

Sokolov warned that the growth of naval forces would lead to instability in the region.

Editorial on Mission of U.S. Military Bases

HK0102052190 Manila THE MANILA CHRONICLE in English 1 Feb 90 p 4

[Editorial: "Bases Must Serve Our Interests"]

[Text] Last Monday, U.S. Defense Secretary Richard Cheney recommended the dismantling of some U.S. military installations worldwide, including the naval communications station in San Miguel, Zambales, as part of the effort to cut back on defense spending.

San Miguel is the communications center for the U.S. Seventh Fleet in the Pacific and a vital link for naval communications between its forces in Western Pacific and the Indian Ocean. It played a vital role during the Vietnam War.

Yesterday, U.S. Ambassador Nicholas Platt said he had informed the Department of Foreign Affairs (DFA) about his Government's plans to close the San Miguel station, and reduce its staff in Clark Air Base "sometime in the near future."

Should anti-bases groups rejoice over this announcement? Is the closure of San Miguel a signal for the eventual removal of other bigger U.S. installations in the country?

The accompanying rhetoric hardly indicates a plan for a massive pullout now or in the near future.

Cheney's proposal was made ostensibly to reduce the Pentagon's budgetary deficit, and as a proper response to changes in Eastern Europe and the Soviet Union, which have significantly scaled down the possibility of superpower conflicts. Yet, as Sen Neptali Gonzales has pointed out, this does not tally with another Cheney statement that the U.S. intends to strengthen its ties with the Philippines "under the mutual defense treaty." Platt himself continues to assert that the U.S. will maintain a "strategic role" in this part of the world, no doubt through its bases in the Philippines. And former U.S. Ambassador Stephen Bosworth says that the U.S. would leave a "vacuum" in the Pacific if it pulls out its major bases here.

The closure of the San Miguel facility is really insignificant. According to Philippine defense officials, it can hardly affect U.S. operations in the region. It will not even have an impact on the renegotiation of the bases treaty. As Bosworth has said, it need not be read as a signal about the U.S. entire plan for the rest of the bases in the Philippines.

What we should read into the Cheney announcement is in its timing. The proposal to close San Miguel came along with noises from Washington and the U.S. Embassy in Manila that the U.S. may not be able to meet its commitments under the Schultz-Manglapus accord. It therefore looks like part of a script to convince the Philippines not to press for the fulfillment of the U.S. commitments, and not to ask for more in the event of a renegotiation on the bases treaty.

The ploy, of course, is too obvious for a serious government negotiator to fall for. Government cannot allow Washington to get away with not honoring its commitments.

What Government must be doing right now is hasten the completion of its plans for the conversion of the bases in the event of a phaseout or withdrawal of the U.S. from here. The closure of the San Miguel station, insignificant as it is, is a good opportunity to test the workability of the plans that have been drawn for the area, and the use of the facilities that U.S. will leave behind.

The bottom line is it is the Philippine Government who must determine whether or not the U.S. bases will remain on Philippine soil. And this decision must be made in accordance, not with U.S. military interests, but the Philippines' national interests and geopolitical realities, as we read them.

Survey Backs U.S. Aid in Coup, Bases Retention

HK3101100590 Manila MANILA BULLETIN in English 31 Jan 90 p 14

[Text] Notwithstanding the protests raised by critics of Americans and the Aquino administration, the majority of the Filipino people appear to favor U.S. military assistance in turning back the military mutiny last December.

A poll survey conducted recently by Vox Populi showed that 54 percent of the respondents approved of the U.S. help, 38 percent disapproved, and eight percent were undecided.

The pollsters noted that the highest approvals came from the women with 56 percent, compared to the men with 52 percent. In income classification, the middle class gave a 57 percent approval, the low income had 51 percent and the rich, 50 percent.

Education-wise, 57 percent of those with elementary education voted in favor, compared to 56 percent of those with college education and 51 percent of high school level training.

The pollsters interpreted their findings as a signal that the U.S. assistance, which came in the form of fly-bys by Phantom jets from Clark Air Base, was "more tolerated than welcomed in view of the people's abhorrence for violence."

Vox Populi is a survey-oriented organization which also publishes its own magazine as an information outlet for its social researches and studies pertaining to issues of national significance.

The organization warned that the survey generated by such assistance in stamping out the coup may be negated if future American moves were perceived by the people to be anti-Filipino, as instigated by activists and ultra-nationalists.

On the question of whether or not the bases should be removed by 1991, 68 percent preferred a gradual phaseout, 24 percent favored outright removal, and 7 percent were undecided.

Again, the trend of approvals had basically the same demographic characteristics as that of the question on so-called U.S. intervention.

The high rating given for the bases retention was attributed to the "sobering effect" of the latest coup attempt.

Plan for U.S. Attack on Rebel Soldiers Denied

HK3101103390 Manila Radio Veritas in Tagalog 0900 GMT 31 Jan 90

[Report by Jonathan Cristobal]

[Text] Brigadier General Oscar Florendo, Armed Forces of the Philippines Civil Relations Service [CRS] commanding general, today denied a reported plan for U.S. forces to attack if the rebel soldiers had succeeded in last month's coup. He said that even the unit's name, U.S. Army 25th Light Infantry Division, was mentioned. The CRS chief said the unit is part of the U.S. contingent that will participate in the annual joint RP [Republic of the Philippines]-U.S. military exercise called Balikatan.

It will be recalled that the report was carried by JANE'S DEFENCE WEEKLY and was published in the Manila dailies yesterday [as heard]. If the rebel soldiers had succeeded in overthrowing the government, the U.S. Army unit would have been used. The same article said that the 25th Infantry Division would have joined forces with the U.S. advance party in Clark Air Base to defend the Aquino government from rebel soldiers.

According to Florendo, the Balikatan activity, in which U.S. and Filipino troops participate, is held annually in the country. It was set for the first week of December, but was delayed because of the coup. He also clarified that the presence of the 25th Light Infantry Division and other support units is normal because of the scheduled annual activity.

The government's request to the United States in the recent coup was for a nonfiring persuasion flight, which the U.S. Air Force F4 phantom jets carried out. Florendo stressed that that the Aquino government never asked for ground troop support.

U.S. Serviceman Wanted for Participation in Coup

HK0102054390 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 1 Feb 90

[Text] Constabulary operatives are closing in on a United States Air Force serviceman wanted by military authorities for his alleged involvement in the failed December coup attempt. According to Brigadier General Manuel Bruan, Constabulary Highway Patrol Group chief, at least three suspected safehouses of fugitive U.S. Air Force Staff Sergeant John Virgil, Jr in Manila, Las Pinas, and Quezon City have been placed under surveillance. He said they are now on their 11th day of their manhunt for Virgil upon the request of U.S. officials for his immediate capture.

Aquino Stresses Control of Government

HK3101134990 Manila Radio Veritas in Tagalog 1300 GMT 31 Jan 90

[Text] President Corazon Aquino today stressed she is still in firm control of the government and intends to continue performing her duty as the country's president amid reports of another coup attempt by rightist forces. Here is the president's statement, read by Press Under Secretary Horacio Perez:

[Begin recording in English] [Words indistinct] an alleged plot against the government and specific security measures taken. The fact is, I believe we should stop emphasizing these alleged plots and asking government to publicly announce the measures taken to counteract them. We will never be able to accomplish the task of national development if this is all we are going to highlight every day.

The president has said that she remains firmly in control of this government and that she intends to do so in accordance with our Constitution. She further gave the assurance that she shall continue to exercise leadership, particularly in the effective delivery of services to those who need them most. [end recording]

Senate Majority Opposes Early National Elections

HK3001042590 Manila BUSINESS WORLD in English 30 Jan 90 p 12

[Excerpt] Close to a majority of senators yesterday opposed Sen. Ernesto Maceda's proposal calling for earlier national elections.

At the same time, Senate President Jovito R. Salonga said he will call a caucus to determine the Senate's stand on the proposal contained in Senate Concurrent Resolution (SCR) No. 40.

Several of those who rejected the holding of national elections in November 1991, or six months before May 1992 as scheduled by the Constitution, said Congress can pass a law to defer the holding of local elections for desynchronization purposes.

Sen. Aquino Q. Pimentel, head of the Partido Demokratikong Pilipino-Lakas ng Bayan [Filipino Democratic Party-Nation's Strength], said pending any formal position, his party will oppose SCR 40.

He and Senators Wigberto E. Tanada and Orlando S. Mercado cautioned against the proposal's possible negative effect on the upcoming bases talks in 1991. "It makes no sense," said Sen. Edgardo J. Angara.

Laban ng Demokratikong Pilipino [Struggle of Philippine Democrats] solons headed by Sen. Neptali A. Gonzales are against the measure since it would not be "worth the effort" and Congress can adopt other means to achieve desynchronized polls.

Senate Minority Floorleader Juan Ponce Enrile said "shortening the period is not the remedy," adding that all national officials "should resign and get a fresh mandate from the people."

Sen. John H. Osmena claimed the Maceda proposal will make no difference as long as there is no change in the system of government. He batted anew for federalism.

Majority

"Majority of the Liberal Party (LP) is against tampering with the Constitution," said LP president Sen. Salonga.

He said amending the Constitution can only be justified if "it is imperatively necessary" and if "there is no other way to achieve the desired objectives."

Sen. Salonga said local elections should be deferred to a later date, say November 1992, instead of advancing the date of national elections.

SCR 40 was co-authored by Senators Agapito A. Aquino, Ernesto F. Herrera and Rene A. V. Saguisag.

General De Villa Dismisses Coup Reports

HK0102104290 Manila Radio Veritas in Tagalog 0900 GMT 1 Feb 90

[Report by Jonathan Cristobal]

[Text] Armed Forces Chief of Staff General Renato de Villa today asserted that the government has almost totally repressed threats from the rightist forces—the Reform the Armed Forces Movement [RAM] and the Soldiers of the Filipino People [SFP]—stressing that reports about plans for another coup attempt is groundless. De Villa issued the statement in reaction to published reports about the issue based on views of American legislators and some high-ranking government officials.

In an interview with the Defense Press Corps at Camp Aguinaldo, De Villa said he did not know what bases these foreign observers used in claiming there really is another attempt being planned against the Aquino government. He added that the Armed Forces of the Philippines has a different belief on the issue. He explained that, although the leaders of RAM and SFP are still at large and free to plan their moves, the military is certain that they lack the capability to launch another coup similar to the December coup. He cited as proof the recent arrest of Brigadier General Edgardo Abenina, the most senior military official who led the failed December 1989 and August 28, 1897 coup attempts.

[Begin De Villa recording in English] I really do not know their basis, but I do not really know what is their prediction and why. But insofar as we are concerned, our position is to the effect that, while the coup plotters are out there and they may continue planning and plotting, our assertion is to the effect that right now they do not have that capability. [end recording]

Cardinal Sin Criticizes Coup Plotters

HK0102095590 Manila Radio Veritas in Tagalog 0900 GMT 1 Feb 90

[Text] Here is an appeal by his Eminence Jaime Cardinal Sin to everyone to help and cooperate in the capture of 1989 coup leaders who are still at large:

[Begin unidentified person recording in English] Cardinal Sin condemned the coup plotters in stern language accusing them of an insatiable thirst for power and wishing to get rid of our democracy and transform it into a dictatorship.

Let us not be fooled by their pious assertions that they love the country. They were not really concerned about the welfare of their country. They only wanted to put themselves in power, he added.

We must not make it more difficult for the government to apprehend them by witholding vital informations or by refusing to help the authorities in whatever way we can.

Many of the leaders of the bloody December coup attempt that caused 119 lives and injured over 500 others remain at large, including the alleged mastermind, discharged Army Colonel Gregorio Honasan. [end recording]

The cardinal's statement is in support of an earlier denouncement by the Catholic Bishop Conference of the Philippines [CBCP] of the recent coup attempt, in which the CBCP said that any violent attempt against the government should not be supported.

Bishops Make Statement on Coup Attempt

HK3101143390 Manila Radio Veritas in Tagalog 1300 GMT 31 Jan 90

[Text] The Catholic Bishops Conference of the Philippines [CBCP] strongly condemned the attempts by the extreme left and right to overthrow the government by force.

In a pastoral letter, they said that although they acknowledge that there are serious defects in the government that need to be rectified, these do not justify the launching of any activity that could bring chaos to society.

Meanwhile, the bishops also denounced the interference of any foreign elements in the country's democracy. They emphasized that genuine and honest reform is the only way to peace. The pastoral letter was released in relation to the Decade of Peace from 1990 to year 2000. Here is CBCP President Archbishop Leonardo Legazpi:

[Begin recording in English] The use of arms to overthrow our duly constituted government is immoral and would be tantamount to an unjust usurpation of power. Such a judgement is solidly based on moral principles of the church, for a violent overthrow of government is moral only when the strictest of conditions are verified, namely: One, where there is manifest long-standing tyranny which would do great damage to fundamental personal rights and dangerous harm to the common good of the country; second, when it is taken as a last recourse, all other means having been exhausted.

In no way can it be correctly claimed that the very first two conditions are verified in our society today. And it can be very much doubted that, even were a coup d'etat to succeed, irreparable harm will not be done to our country and people.

We, indeed, recognize that there are serious deficiencies in the present government, but change in our social, economic, and political sphere must not come about by armed means. Recourse to violence to bring about peace today cannot be justified. [end recording]

Meanwhile, in our interview with the CBCP president, he said that the bishops are continuously studying the U.S. military bases issue in the country, adding that this was discussed in the CBCP meeting, but that they thought it is wise not to issue a unified decision on it as it is studying possible implications that comes with it. However, he stressed that they are particularly concerned about the moral implications of the bases staying in the country:

[Begin Legazpi recording in English] I humbly accept that we recognize the complexity of the problem. We have not reached a stage of reflection that permits us to give clear-cut moral guidelines (and scope). [end recording]

Coast Guard on Alert for 34 Arms-Carrying Ships

HK3101095190 Manila MANILA STANDARD in English 30 Jan 90 p 7

[Report by Lolita T. Rivera]

[Text] Some 34 foreign "mercenary" vessels are reportedly steaming toward the Philippines prompting the Coast Guard to place on full alert all its field stations.

Coast Guard commandant Cmdr. Pio Garrido said the vessels, whose registry still remained unknown, were reportedly carrying a large cache of firearms and prohibited drugs to an undisclosed destination in the country.

The information, according to PCG [Philippine Coast Guard] officials, was furnished by the Australian Embassy which reportedly monitored the movement of the vessels involved in transporting the highly contraband items.

According to intelligence sources, the vessels were being operated by a foreign-based syndicate operating in the Pacific region.

Military authorities had been alerted on the reports that the firearms are intended for the rightist group planning to make another attempt to topple the government.

Last week reports reaching the Philippine navy said a large shipment of firearms was unloaded at the vicinity of Corregidor Island supposedly intended for rightwing rebels.

In the latest report submitted to Garrido, it said that a foreign vessel had been apprehended off the coast of Southern Leyte which was found loaded with a still undetermined number of high caliber weapons.

The Coast Guard withheld the name of the vessel and the name of the crew until further investigations.

Two other vessels had earlier been monitored to have entered the Philippine waters, the Coast Guard said. The vessels were identified as MY Flyer which arrived in Cebu, and MY Seal

Communist Leaders Reported Ready for Peace Talks

HK3101081790 Manila PHILIPPINE DAILY INQUIRER in English 28 Jan 90 pp 1, 6

[Text] Leaders of the outlawed Communist Party of the Philippines (CPP) are waiting for the government to "open the table" for the resumption of peace talks, Rafael Baylosis, former CPP secretary-general secretary, said yesterday.

Baylosis said he and other detained leaders of the communist movement were ready to sit with government negotiators as soon as President Aquino agreed to another round of peace talks.

"We will be forced to sit on the table with them kahit kami nakakulong [despite our being in jail]," Baylosis told the INQUIRER.

Baylosis, former New People's Army [NPA] chief Rodolfo Salas and 11 other suspected leaders of the CPP-NPA were allowed to meet with relatives and friends yesterday afternoon for about one and a half hours amid tight security during the anniversary of Task Force Detainees of the Philippines (TFDP).

Ms. Aquino has ruled out any possibility of another round of peace talks with communist rebels and has said the government would wage "total war" against the insurgents. Baylosis and Salas also disputed a claim by the military that the communist movement was on the verge of collapse, following the capture of its top leaders.

"Noong 1972, mas marami pa sa amin ang nahuli.-..Ngayon konti lang kaming nakakulong pero tuloy pa rin [In 1972, many of us were captured... Now only a few of us are in jail but the movement goes on]," Baylosis said "The events proved them wrong."

Salas, who has been under detention since 1986, said their capture had not affected the movement or created a "leadership vacuum" since there were many others who took over the leadership.

"Marami kaagad ang papalit [Many (comrades) will immediately replace us]," he said.

Meanwhile, Jose Maria Sison, who has been tagged by the military as CPP chairman in absentia, warned of "a creeping coup d'etat by (Defense Secretary Fidel) Ramos."

In a statement sent to newspaper offices, Sison said the new coup plot "is even more insidious and more effective" than the putsch being plotted by the Reform in the Armed Forces Movement.

Sison, who is now based in Utrecht, netherlands, also denied reports that he was involved in a plan to ship firearms from North Korea to the Philippines.

The military has said North Korean communist leaders had agreed to ship arms and train rebel cadres in exchange for information on the American military bases in the Philippines.

The reports said documents seized last year from Wilma Tiamzon, a member of the CPP Central Committee, showed Sison had a meeting with Korean Workers' Party representative Kye Ong Tee to discuss the exchange.

Sison said in his statement the reports were "pure hogwash."

"This malicious attack against my person is part of the continuing 'Oplan [Operation Plan] Jericho" authorized by Ramos and AFP [Armed Forces of the Philippines] chief Gen. Renato de Villa," he said.

Sison said the documents were "fabricated by a psywar production team" and could not be considered as evidence.

"As far as I know... the only foreign source of arms for the new People's Army is the United States," he said.

"Generals Ramos and De Villa are the chief transport and supply officers of the NPA," Sison added. "They have been quite efficient in getting arms from the Pentagon. These arms eventually fall into the hands of the NPA."

Army Captures NPA Rebel Involved in Ambushes

HK3001100590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Jan 90

[Report by Benjie de Galicia]

[Text] The 49th Infantry Battalion, led by Sergeant Barbe Ogmente, has captured a regular member of the New People's Army in barangay Binas, Calauag, Quezon while the troops were on a combat clearing operation. A report by Southern Luzon Command authorities identified the rebel as Reynaldo Carson Bakong, alias Comrade Jimmy. In an investigation, Jimmy admitted he was among the rebels who ambushed and detonated land mines under troops belonging to the 31st Infantry Battalion, killing Captain Salvador, on 28 September 1988 in New Diversion road, Atimonan, Quezon. He also confessed to having participated in the ambushing of Bravo Company's 4th Labor Brigade in barangay Binutas, Calauag on 5 January 1989, in which a commando B-150 tank was destroyed.

Probe of Constabulary Men Urged in Escape Case

HK3101043190 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 31 Jan 90

[Text] The Constabulary recommended the pretrial investigation of seven PC [Philippine Constabulary] personnel in connection with the escape of communist leader Wilma Tiamzon last Christmas. PC Inspector General Brigadier General Carlos Malanan made the recommendation to PC-INP [Integrated National Police] chief Major General Ramon Montano for the probe of Captain Alfredo Mendoza, Camp Crame custodian officer; First Lieutenant Vicente Viazo who supervised the checking out of visitors; Technical Sergeant Francisco de la Forte, sergeant of the guards; Technical Sergeant Geronimo Arriale, in charge of identifying any visitors; Staff Sergeant Carlito Galdote, jail supervisor; Constable Jovito Clemente, jail guard; and Constable Rene Hundal, jail guard.

Reportage on Cordilla Plebiscite Proceedings

Ballot-Box Stealing Reported

HK3001133190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Jan 90

[Excerpts] The military has immediately dispatched troops to Kabugao Town after receiving a report that more than 100 New People's Army rebels are setting up checkpoints in the area. [passage omitted]

Meanwhile, unconfirmed reports stated that there have been ballot box-snatching incidents in Tadiang, Bontoc, Mountain Province this morning, while in Abra, three ballot boxes were snatched by armed men in Malikkong, Abra at 0900. [passage omitted]

In an interview with Senator Heherson Avarez, we learned that two NPA commanders have surrendered to the military under the command of Brigadier General Aquias of the Cordillera Regional Command.

Turnout Described

HK3001131790 Quezon City Sports Radio 738 in English 1100 GMT 30 Jan 90

[Excerpts] About 65 percent of the registered voters in the proposed Cordillera autonomous region cast their vote in today's plebiscite. The full report from Tony Valencia:

[Begin recording] About 45 to 55 percent [as heard] of the total 503,000 registered voters turned out to cast votes for or against the ratification of the organic act creating an autonomous region of the Cordillera.

According to Comelec acting chairman Haydee Yorac, the low turnout of votes is just but normal in any plebiscite, considering that there was no particular issue involved in this kind of political exercise except to get the sentiments of the voters whether they favor or not the organic act giving autonomy to the region composed of five provinces and one city. [passage omitted]

Yorac stated that as far as peace and order situation is concerned, the just-concluded exercise was administered and supervised on high level. Except for some sporadic and isolated encounters between feuding factions, the plebiscite in the autonomous region of Cordillera was peaceful and orderly, military sources said. [passage omitted]

Meantime, in Baguio City the "no" votes are leading in the unofficial returns in today's plebiscite on the organic law creating the Cordillera autonomous region. Unofficial returns from 48 of Baguio City's 49 voter centers listed 2,643 "no" votes against only 299 "yes" votes. [passage omitted]

In a related development, armed men snatched a ballot box in a voting center in Pinukpuk, Kalinga-Apayao at about 1:00 this afternoon. The Kalinga-Apayao PC [Philippine Constabulary] Command says that the ballot box, containing 317 ballots, was snatched by armed men claiming to be communist rebels. Government forces were immediately dispatched to track down the rebels. It is the second ballot box-snatching to be reported to authorities in today's plebiscite on the organic law creating the Cordillera autonomous region. [passage omitted]

'No' Votes Reportedly Prevail

HK3101093190 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 31 Jan 90

[Text] "No" votes continue to prevail in the just-concluded plebiscite on autonomy in the Cordillera region. The Commission on Elections said that based on unofficial returns, the five provinces which held the plebiscite rejected the proposed autonomy act. These are the provinces of Abra, Benguet, Kalinga-Apayao, Ifugao, and Mountain Province.

Meanwhile, voters in Baguio City also disapproved the autonomy act. According to Mayor Jaime Buglosin, a majority of the city's voters still do not understand the organic act creating the Cordillera Autonomous Region.

Aquino, Laurel Comment

HK3101104390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 Jan 90

[Report by Dick Sinchongco and Cesar Chavez]

[Excepts] Local Governments Secretary Luis Santos described the just-concluded plebiscite as a success for the people of the Cordillera region. He also stressed that the people's rejection of the organic act is not tantamount to defeat for the government.

[Begin Santos recording in English] Look at it this way: The people are winning. And this is a democratic country. Whatever the people wishes in a plebiscite, they win. And I don't think there are any losers or any winners except the people. The plebiscite said so and we gave them the right to decide their own destinies. An autonomous region. If that is what they want, that is what they get. And I think the government is successful and has won because we gave them the right to decide their own destiny. [end recording] [passage omitted]

Meanwhile, the voters' rejection of the organic act for the creation of a Cordillera autonomous region is a big triumph for the Nationalist Party, according to Vice President Salvador H. Laurel. In a press statement, party chairman Vice President Salvador H. Laurel said that the government's defeat in two plebiscites in the Cordilleras and Mindanao shows that federalism is the true answer to real autonomy in local governments.

In a related development, President Aquino announced that there is nothing that the government can do if the "no" votes prevail in the plebiscite on the organic act for a Cordillera autonomous region. She added that the important thing is that the people voted and that they

alone should decide on whether or not to join the Cordillera autonomous region.

According to the president, the Cordillera plebiscite is a free and clean election where it is essential that the people of the region recognize the government and the laws it enforces. The president said that if the people of the Cordilleras do not want to become part of the autonomous region, there are other ways to accelerate the region's development, as Father Conrado Balweg has presented an alternative program.

At the same time, the president said that she does not blame the Commission on Elections for the "no" votes, adding that she knew the poll body did the best it could.

Here is the president's statement, as read by new Press Undersecretary Horacio Paredes:

[Begin recording in English] The Cordillera plebiscite is another triumph of democratic processes in our land. Precisely, the matter of Cordillera autonomy is for the voters in that proposed region to decide on the basis of the organic act presented to them. [end recording]

General Makes Comments

HK3101104990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 Jan 90

[Report by Andy Verde from Baguio City; live]

[Text] The just-concluded plebiscite in the Cordillera region may be described as peaceful and orderly as compared to the one held in Muslim Mindanao. The two cases of ballot snatching were minor, too. This was the statement of Brigadier General Juanito Aquias, regional commander, in a press conference held inside his office at Camp Dangwa, Benguet.

[Begin Aquias recording in English] I will not attribute it only to the military. I think the people in the Cordillera are fine people. They are stable. They are coolheaded. And I think you will understand, you will observe rather, that in their discussions, the pros and cons of this plebiscite issue are discussed in a very friendly way. There are no hassles. It certainly reflects the coolness of the people in the Cordilleras. [passage indistinct] [end recording]

General Aquias also attributed a car explosion to faulty wiring, and explosions before the Commission on Elections office to firecrackers.

Human Rights Records To Affect Army Promotions

HK3101064590 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 31 Jan 90

[Text] The human rights records of members of the military and police forces will be taken into consideration by the Department of National Defense [DND] when deciding on their promotion. Reports said that the DND is consulting the Commission on Human Rights [CHR] on the human rights records of military personnel.

Meanwhile, CHR Chairperson Mary Concepcion Bautista stated that her office will give priority to cases involving military personnel. The DND will present a list of military men being considered for promotion to the CHR to check out their backgrounds. Military personnel involved in human rights violations will not be given promotions.

Streamlined Visa Program With USSR Approved

HK3001043190 Manila BUSINESS WORLD in English 30 Jan 90 p 2

[Text] Visas for Soviet citizens travelling to the Philippines as temporary visitors or on official business will be issued within 20 days from the date the visa application is received by the Philippine Embassy in Moscow.

The courtesy will be extended on a reciprocal basis and is covered by an exchange of notes which took place last January 25 between envoy to Moscow Juan Saez and Soviet Consular Affairs chief Viktor Zelenov.

Also to be streamlined are procedures for the speedy issuance of visas to ranking categories of Soviet officials, particularly those of ministerial or parliamentary positions.

These measures resolve what the Soviets feel to be a longstanding hindrance in the expansion of Philippine-Soviet relations.

A source at the DFA [Department of Foreign Affairs] said the move was meant to be a stop to Soviet disappointment over "the second cancellation of the President's state visit to Moscow."

Domestic Flights Suspended Due to Strike

HK0102114790 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 1 Feb 90

[Text] Philippine Airlines [PAL] domestic flights remain suspended because of an ongoing strike by air traffic controllers. Here is a report by Jonathan Gesmundo of the Philippine Airlines:

[Begin recording] PAL has decided to suspend its domestic flights out of Manila because of uncertainty over the safety of the passengers and aircrafts of PAL. To restore its domestic operations, PAL would require assurances of air traffic control over air space within a radius not less than 5 miles from the airports, or the danger of midair collision between aircrafts would be real.

Meanwhile, six PAL airplanes had flown out of Cebu as of 1300 this afternoon. The flights were bound for Tandag, Ozamis, Dumaguete, Surigao, Butuan, and Dipolog, where PAL radio operators took over as air traffic controllers.

PAL's international operations remain unaffected by the strike because of adequate air traffic control by replacements from the Philippine Air Force. [end recording]

In a related development, some 400 air traffic controllers are on strike to protest their low salaries. According to Arnold Abad, president of the Philippine Air Traffic Controllers Association, their salary dipped further under the terms of the salary standardization law. However, the striking air traffic controllers were immediately dismissed by Transportation Secretary Oscar Orbos, who claimed that as government employees, they have no right to go on strike.

[Begin Orbos recording in English] By definition of law they are terminated, because as government workers, they cannot strike. They will have to dissociate themselves from this group. They have to do that in writing because as of now, those identified as belonging to this association are presumed to have left their work, and they have declared illegally a strike against the government. [end recording]

Press Secretary Updates Strike Situation

HK0102105190 Manila Radio Veritas in Tagalog 0900 GMT 1 Feb 90

[Report by Gabby Salcedo from Malacanang Palace; slantlines denote passage in English]

[Text] Striking employees of the Ninoy Aquino International Airport and other domestic airports in the country may be dismissed from their jobs. This was learned from Press Secretary Tomas Gomez III following a meeting between Transportation Secretary Oscar Orbos and President Corazon Aquino.

Secretary Gomez also reported on the extension of price control measures nationwide and the latest dialogue between the president and members of the Philippine Air Force.

[Begin recording] [Gomez] /I am relaying to you what Oca [refers to Transportation Secretary Oscar Orbos] was telling me/. [passage indistinct] He said that I should relay the message to you.

[Reporter] Who will take over from the striking air traffic controllers?

[Gomez] I heard that there are people to take over.

[Reporter] Probably from the military?

[Gomez] Yes, so they say. /In other words, the illegal strike failed to paralyze the situation because if there are plenty of international flights and that the ones I mentioned to you—Mactan, Davao, Cagayan de Oro, Zamboanga, Iloilo, and Bacolod—those are the most important arteries of Philippine Air Lines. And well, of course/ , it depends on the schedule. Delayed flights are quite ordinary phenomenons here. /There are other airlines here, but you know, 20 minutes or 30 minutes is in fact normal./ So, slight delays like this /are not really a reflection of the fact that there is an illegal strike./

[Reporter] /How many are involved in the strike?/

[Gomez] I am not aware of the number. /I am sorry. They did not give it to me./

[Reporter] There are reportedly 200 strikers.

[Gomez] /Look, I understand.../ There are people covering Oca Orbos. He says that is okay to give you sketchy reports because /according to him, he will issue his own statements./

/Now, let us go back to.../ Have they have given you the report on the Air Force meeting?

/Apparently, this is the last of the series of lieutenants and captains. There were 40 of them earlier today. And I was characterizing it [changes thought]—I have mentioned this before/.

[Reporter] Not yet.

[Gomez] /The theme was not just gripes and grievances, but the good things, too. Because aside from the gripes and grievances, in fact, concerned as they are, the Air Force officers also came up with constructive criticisms. And apparently, in unison with many of the other branches of service, they were really endorsing Senate Bill 769/ which was the same as what happened the other day. With the other branches...now, let me see.

Have we mentioned that /there are approximately 2,500 captains promotable to major in 1989, which is for the entire Armed Forces of the Philippines. Unfortunately, the quota designated for 1989 is only 378. So, you can see where we have a problem. Ergo, we need to remedy the situation. The president announced that temporary measure as it is; we were able to increase the quota for captains going into majors into 902 instead of just 378./

/Once more, these officers expressed about the process that they have to go through, the Commission on Appointments. But the president reminded them that the Commission on Appointments is a constitutional body and, after all, the Commission on Appointments has not yet turned down a single officer that has been recommended to it./

She told them not to worry /because we will continue to have a dialogue with the Commission on Appointments. And the president even said that she will have a continuing dialogue with the Commission on Appointments to improve what she refers to as operational and procedural agreements, not just with reference to promotions of officers, but also with other nominees./

[Reporter] [Passage indistinct]

[Gomez] No, I did not ask about that. /Frankly, I am [word indistinct] insofar as the price control because I have not seen Joe Concepcion at all./ I remembered it

only when I saw Orbos going in, and I remembered him telling me to find out about the controllers.

/Other things that were touched as usual are housing...apparently, the medical situation in the Air Force is better. But there were also complaints of antiquated equipment. Apparently, there is a proposal or resolution that is intended to improve the housing and the clothing situations of the national police/. The military would like the same improvement, /but the president said: Look,/ we will study the problem, as the matter is only a proposal as far as the police force is concerned. /They will take a look at that./

/There was an apparent misinterpretation of the standardization of civilian employees./ An example was cited: /Here is a civilian employee who gets 2,000 pesos a month while an airman gets only 1,000 pesos./ The president requested the officer to explain that the total compensation package of the airman or enlisted personnel does not lag behind that of the civilian employee. There are additional perks like subsistence allowance, clothing, reenlistment bonus, field allowance, combat pay. The fact is that all these benefits go up to the same level. /The president reminded them that much as we want to alleviate this problem, the fact is that we do have economic problems. And we will approach them little by little as the economy improves. And again, she batted for the bottom 30 percent of our community./ [end recording]

What we heard just now was Secretary Tomas Gomez III reporting on the dialogue between the president and members of the Air Force.

For the benefit of our listeners, after this report, the secretary will read the text of National Emergency Memorandum Order [NEMO] No 9, which provides for the extension of the price ceiling of some products.

[Begin Gomez recording in English] Of all the groups that I have seen, the Air Force group appears liveliest, most probably because they know they are the last one. In the beginning, they were a bit stiff, but later on, they were laughing. [changes thought]

Upon recommendation of Secretary Concepcion, the president today issued NEMO No 9, extending the effectivity of price ceilings on certain prime commodities in the National Capital Region up to February 1990, but with the following modifications:

Rice has been excluded, as NEMO No 7 already imposed a nationwide price ceiling on this commodity up to February 28, 1990.

The price ceilings on canned liquid and powdered filled milk has been increased as follows:

Canned milk, sweetened filled, from P12.75 per 300 millimbers to P13.65 same size. The amount of increase is P0.90.

Evaporated filled, from P10.30 to P11.05, amount of increase P0.75.

Powdered filled milk, from P13.70 to P14.65, an increase of P0.95 per 180 grams. And for 200 grams, it is from P15.25 to P16.35, an increase of P1.10, and this is to allow: a) the milk industry to recover its losses and achieve a break even point and, b) to ease the tightness of the supply of milk products under price control.

Upon the recommendation of the Department of Agriculture, dressed chicken has been delisted since the prevailing retail price of dressed chicken has dropped to P42 per kilo as against a price ceiling of P55. [end recording]

Huge Rice Shortage Seen; Importation Urged

HK3101093990 Manila THE MANILA CHRONICLE in English 26 Jan 90 pp 1, 6

[Report by Johanna Son and Redempto Anda]

[Text] An inter-agency task force has recommended the importation of 400,000 metric tons (MT) of rice worth at least P2.8 billion to avert a serious shortage during the lean months from June to September.

In a memorandum to Agriculture Secretary Senen Bacani, the task force said it made this "difficult choice" after reviewing the country's rice production capacity for the first six months of this year.

A huge shortfall in production is being projected due to the drought that has afflicted thousands of hectares in the major rice-growing areas in Central and Northern Luzon, Panay Island and Northern Mindanao.

The National Food Authority [NFA] Council, NFA's policy making body, is expected to discuss the recommendation before forwarding it to President Aquino for approval.

If approved, NFA officials said the 400,000-MT importation will be the biggest under the Aquino Administration. Last year, the Government imported 220,000 metric tons to stabilize the buffer stock of 90 days.

The task force recommended that the NFA import an initial 200,000 MT on top of the 50,000 MT which was recently loaned from Indonesia.

This developed as Sen. Wigberto Tanada warned the Government of a "serious and economically damaging" rice crisis this year unless it maps out an integrated policy that goes beyond the piecemeal solution of price controls.

In a privilege speech, Tanada urged the Government to allocate P11 billion annually for the next five years to support an "integrated package of support" to the agricultural sector.

He said a major crisis in food production is brought about by a combination of problems such as drought,

water shortage, Government's inability to dismantle the rice cartel, and the farmers' declining incomes.

The agriculture department said it would intensify its rain-making operations by taking advantage of good cloud formations caused by the presence of a cold front.

Agriculture Undersecretary Apolonio Bautista said aside from the two planes now conducting cloud-seeding operations, they would negotiate with private firms for three more aircraft to assist in the project.

At the same time, Public Works and Highways Secretary Fiorello Estuar, water crisis committee chairman, announced the implementation of a diversified irrigation of farmlands affected by the drought.

Under the program, each farmer in the affected areas is allowed to irrigate only a maximum of 10 has. Each province declared as an emergency area is also required to irrigate not more than 10,000 has of farmland.

The National Irrigation Administration, Estuar said, will conduct round-the-clock patrols to ensure the program's strict implementation.

Meanwhile, the task force justified its recommendation for additional rice importation, saying that the agriculture department's Rice Production Enhancement Program (RPEP II) would "only provide us with some breathing ground."

"The bigger problem is that RPEP II may not be able to deliver all of the 400,000 metric tons incremental production," it said. RPEP is the Government's main rice production program.

The task force noted that the campaign for increased food production which grew only by 5.4% "is still too slow to keep pace with the accelerated growth in requirment of 5.5%."

Last year, the Government imported 220,000 MT to stabilize the 90-day buffer stock which is a key factor in preventing rice prices from soaring.

For the decade, the country's biggest importation was undertaken in 1985 when the Marcos regime purchased from abroad 538,000 MT of rice.

Tanada, in his privilege speech, described the 1980s as a "decade of neglect" for Filipino farmers and recommended that the Government adopt the following steps to avert a "multi-dimensional" rice crisis:

—Strengthen or reorganize the NFA by giving it P5 billion a year to procure palay and influence 20% to 25% of the market.
—Speed up the distribution of rice and corn lands under a genuine land reform program that has been going on for the last 18 years.
—Revive the Central Bank's "rediscounting window" which would limit interest rates on farmers' loans to 12%.

Tanada proposed that the Government allocate P11 billion annually to assist rice and corn farmers over the next five years and help the country achieve self-sufficiency in basic staples.

The Government, he suggested, may also tap the Philippine Assistance Program (PAP) to fund the assistance to farmers.

He branded as "hypocritical" the proposal of the World Bank and some Western countries that the Government adopt a deregulation policy in agriculture and withdraw subsidies.

Developed countries, as well as newly industrializing nations such as South Korea and Taiwan, precisely have large support programs and government intervention in agriculture, Tanada argued.

Sen. Heherson Alvarez also filed a resolution urging the Government to convene a tripartite conference on agriculture to assure self-sufficiency in rice and corn.

He proposed that the conference participants include the farmers, agricultural producers and the Government, including Congress.

Aquino Confirms Need for Imports

HK3101094190 Quezon City MALAYA in English 28 Jan 90 p 1

[Report by Chit Estella]

[Text] President Aquino confirmed yesterday the government will have to import rice to cope with reduced harvests resulting from the drought.

She said that while Agriculture Secretary Senen Bacani has recommended the importation, actual volumes would still have to be determined by ongoing studies.

An inter-agency technical working group on cereals, food crops and feedgrains last week proposed the importation of 400,000 metric tons [M.T.] of rice to cover the expected shortfall in rice production.

It said the initial importation of 200,000 m.t. be made now and the remainder, after assessing the harvests from January to March.

The importation plan is aimed at preventing prices of rice from skyrocketing because of a possible shortage in local supply.

Recently, Mrs Aquino issued a memorandum expanding the area covered by the price control on rice from Metro Manila.

Price ceilings were set at P7 per kilo for NFA [National Food Authority] rice; P8 for regular-milled rice; and P9 for well-milled rice.

President Aquino has also declared a state of calamity in Iloilo and the subprovince of Guimaras which were reported to be severely affected by the drought.

Bacani has said he will recommend the inclusion of several other provinces in the list of areas under a state of calamity.

If rice importation pushes through, it would not be the first time under the Aquino government.

Last year, the government imported 200,000 m.t. of rice to boost its stock.

Drought Affects 450 Million Pesos Worth of Crops

HK3001041790 Manila THE MANILA CHRONICLE in English 30 Jan 90 pp 1, 6

[Reports from Redempto Anda and Cherry Velarde]

[Text] Palay [unhusked rice] and corn crops worth some P455.6 million have been lost to the drought which has already affected at least 12 provinces, according to the Department of Agriculture [DA].

The losses translate into 56,000 metric tons of palay and 37,923 metric tons of corn.

Palay crops mostly affected were in Iloilo, Capiz, Pampanga, Cagayan, Isabela, Cagayan, Quirino and Bukidnon.

Iloilo reported the heaviest palay losses of 47.1 thousand metric tons worth P321.2 million, while corn destroyed in Isabela were placed at 25.4 thousand metric tons valued at P129.4 million.

The total affected areas were estimated to be 121,400 has while the total area damaged was 16,100 has.

Because of these losses, an inter-agency committee last week recommended the importation of 400,000 metric tons of rice to beef up the country's rice stocks for the coming lean months beginning July.

Meanwhile, an agriculture official said the department is considering providing free fertilizers to drought-stricken farmers.

The DA has requested some P58 million as assistance to the affected areas, primarily for Iloilo and the whole of Region 6 which has been declared as a calamity area.

The DA is also conducting cloud-seeding operations over the affected provinces to induce rain.

Meanwhile, the Kilusang Mayo Uno [1 May Movement] yesterday urged the Government not to allow the proposed 50-centavo price increase on commercial rice and instead subsidize rice prices to avert "a much bigger crisis that would put workers to extreme hardship."

KMU secretary Nick Elman also said that the most immediate action to decrease the control of middlemen is by increasing the capacity of the National Food Authority to buy, move and stock rice.

72 Million-Peso Aid Agreement Signed With FRG

HK3001040790 Manila MANILA BULLETIN in English 30 Jan 90 pp 1, 17

[Report by Romy V. Mapile]

[Text] A P72-million technical assistance agreement between the Philippines and Federal Republic of Germany (FRG) for the Integrated Development Project of the Bondoc Peninsula (IDPBP) was signed yesterday.

The agreement signed by Foreign Affairs Secretary Raul S. Manglapus and West German Ambassador Peter Scholz at the Department of Foreign Affairs, will launch the first phase of the project scheduled for 3-1/2 years.

Within the framework are small-scale industries in the fields of water supply, health services, education, administration building, improving agricultural productivity, and marketing.

Two other agreements on technical cooperation are under preparation and will be signed in due course.

Ambassador Scholz said the IDPBP aims at improving the economic, social, and ecological conditions of the poor rural population groups in the pilot region, by strengthening the self-help capacity of the beneficiaries.

The main feature of the project is the participation of non-governmental organizations in the object-oriented project management and implementation, according to Scholz.

Secretary Manglapus, expressing the appreciation of the Philippine government, said, "The occasion is another manifestation of the German people's support for our struggle toward economic recovery and political stability.

"We feel reassured that even with the dramatic changes that are occuring so fast in East Germany and other countries in Europe, which naturally evoke FRG's concern, that country's projects will continue in this part of the world."

FRG, UK Banks Said To Reject Loan Request

HK3101100990 Manila MANILA BULLETIN in English 31 Jan 90 p 25

[Report by Ernesto Tolentino]

[Text] West German and British commercial banks have turned down the Philippines' request for new 15-year loans under the 1989-1990 new financing agreement negotiated by a Philippine debt panel with a syndicate of foreign commercial banks, sources involved in the debt talks said yesterday.

The European banks have instead "opted for the debt buy-back component of the financing package, which would effectively reduce, if not totally extinguish, their exposure to the Philippines," the sources added even as

they indicated that Japanese banks "remain uncommitted to the country's bid for fresh commercial loans."

The first stage of the debt buy-back program was implemented last January 3-4, by which some $1.3 billion were bought by Philippines at a discounted rate of 50 percent.

It was explained that the West German and British banks would have extended "new money" to the Philippines, in addition to their participation to the debt buy-back program, had it not been for the restrictive measures adopted by their respective monetary authorities.

Japanese banks, on the other hand, are pressing the Philippines to drum up more support for its "new money" request as a condition for their participation in the scheme.

"They (the Japanese banks) specifically wanted us to raise new money beyond the $612 million that have so far been committed to us," one official source said.

Members of the Philippine debt negotiating team had earlier admitted encountering difficulties in generating support for the new money request of the Philippines on account of the credit tightening move in the international money market.

In view of this development, one negotiator said the "team would be satisfied with even $750 million in new money instead of the original target of $1 billion."

Even President Aquino had commented that the "$750 million or a figure close to that amount would be enough to address our need for this year" in acknowledgement of the reported "market resistance" that frustrated the Philippines' attempt to tap new loans.

In addition to the new money and debt buy-back option, the pact signed with the bank syndicate also provided for the rescheduling and repricing of the $925-million new money tapped by the Philippines in 1985, as well as existing obligations of the government corporate sector.

Expectations of New Money Inflow Dampened

HK3101095790 Manila THE MANILA CHRONICLE in English 30 Jan 90 pp 9, 16

[Report by staff member Arleen Chipongian, with reports from Claro Fernandez]

[Text] Expectations of boosting new money inflows from creditor banks to a high of $900 million were dampened by the decision of most Japanese banks with long-term fund exposure in the country to participate in the debt buy-back program rather than sustain their presence here in the next two years.

Finance Secretary Jesus P. Estanislao, who came back last weekend from a three week roadshow of four key foreign financial centers, said that at best, the Philippines would be able to raise an additional $100-$150 million to the committed $611 million new loans the country has so far raised from 53 foreign commercial banks.

Estanislao also noted that the Philippines may yet extend closing of new the money window from the set date of February 16 if the country does not raise the $611 million commitment by February 8.

At the same time, despite the move of most Japanese banks to opt for the exit vehicle via the debt buy back program, Estanislao said that American banks, as well as the Federal Reserve Board (FRB) of New York, together with English and German banks gave their "full support" to the new money component of the new financing package.

Estanislao said that in the first leg of the debt panel's four country swing in Tokyo, the negotiators met with Japanese bankers who turned around from the original expectation that 95% of Japanese banks will commit new money.

In the meeting, the debt panel sought support from the Japanese banks to commit new money since some tenders for the buy back were not accepted by the Philippine government.

It will be recalled that of the $1.811 billion total tenders, the debt buy back program only covered $1.337 billion worth of offerings when it was concluded January 3.

The decision of most Japanese banks to opt for the exit vehicle via the buy back program was attributed by Estanislao to several factors, including the aborted coup attempt against the Aquino administration.

"While it was completely unsaid, I think the turnaround of most Japanese banks could be influenced by the coup. It had a negative influence on the debt package," he said.

In addition, the Japanese bankers also took note that under their financial system, there should have been equal participation in the new money and buy back components of the Philippine package.

Estanislao meantime said that the big banks, mostly members of the country's 12-bank advisory committee gave their full support to the new money package. These include the Bank of Tokyo, Citibank N.A. Bank of America, and Lloyds Bank.

Two major German banks, the Deutsche Bank and the Dresdner Bank, meantime opted for the debt buy back while smaller German banks supported the new money program.

The country's chief negotiator noted that a major factor why some big banks chose the buy back option was due to the loan-loss provisions in their banking laws.

This requires banks to allocate funds for the loans to ensure that funds are covered in cases when the borrower-country defaults on its payment.

Estanislao also said that many bankers were favorable about the Philippine financing package, with one English banker saying that "the good thing about it is that it is voluntary."

He added that John Reed, chief executive officer of Citibank N.A. said the Philippine package received favorable support from 53 commercial banks for new money against the eight foreign banks which have so far committed new money for Mexico.

International Monetary Fund managing director Michel Camdessus also said in his meeting with the debt panel of the progress being made by the Philippine economy.

Camdessus is expected to visit Manila on February 19 to attend the one Asia assembly and to pay a courtesy call on president Aquino.

While Estanislao remained confident that the country will be able to raise at least $700 million, he said that the Philippine government will have to extend further the deadline of the closing of new money window set February 16 if the amount is not committed.

The Philippine government will decide by February 8 if the February 16 signing will push through or a new deadline will be set to maximize financing support from creditor banks.

Meanwhile, local banks are expected to raise a total $1 million [as published] to $12 million to help government obtain $700 million-$750 million in new borrowings from its foreign creditor banks, according to a foreign banking source.

The source, informed of the recent talks between government's negotiating team and the 12-bank advisory committee in New York two weeks ago, said "some of the major banks in Manila are set to buy about $10 million $12 million worth of Philippine bonds early February."

"As of last week, there were no additional commitments from all the foreign creditors as a result of the four-nation swing made by the team). [no opening paren as published] The Japanese banks are wary while major American banks feel the amount ($700-$750 million) will be hard to get," the source said.

At this time, total commitments pledged to the government amounts to $612 million.

These Japanese banks—which were expected to provide more support—had turned down requests of the negotiating team for more money. Bank of Tokyo, speaking in behalf of its constituents in the advisory committee meetings, was "hoping" other creditors of the Philippines in the United States and in Europe would give more.

"Bank of Tokyo had expressed the assessment of major Japanese banks that Japanese commercial loans to the Philippines is already too high as compared to the percentage of lending of other banks," the banking source said.

Quoting lead negotiators finance Secretary Jesus Estanislao and Central bank Governor Jose B. Fernandez Jr., the banker said "some of the requirements will be sourced from Philippine banks."

Eight-Point Plan To Secure Investment Studied

HK3001142390 Manila Radio Veritas in Tagalog 1300 GMT 30 Jan 90

[Text] Malacanang may adopt eight emergency measures in its efforts to attract local and foreign investors in the country.

In her speech before a group of businessmen, the president said the government is studying the possibility of the private sector investing in public transport and in power supply. President Aquino has ordered Trade and Industry Secretary Concepcion to draft a proposed bill whose objective is to boost investments in our country.

[Begin Aquino recording in English in progress] ...to review the recommendations of the committee and has been in continuous dialogue with the joint congressional committee composed of representatives of the Senate and House.

I have asked Trade and Industry Secretary Jose Concepcion Jr to submit me the proposed legislation for investments that I can certify to Congress.

I am likewise considering the adoption of eight emergency measures, including net operating loss carried over, accelerated depreciation, and reduction of tariff on capital equipments to enhance and accelerate investments.

Perhaps your discussions in this forum can focus on what else could be done to make our plan more responsive to local and foreign investors. [end recording]

That was President Corazon Aquino.

Thailand

Three Saudi Arabian Embassy Employees Killed

BK0102120890 Hong Kong AFP in English 1158 GMT 1 Feb 90

[Text] Bangkok, Feb 1 (AFP)—Three Saudi Arabian Embassy employees were murdered Thursday [1 February] in Bangkok, Thai police said. At least two were apparently from the consular section, police said.

Two of the Saudis were killed at mid-afternoon in their car by a gunman in central Bangkok, they said.

Twenty minutes later a third embassy employee was killed by another gunman in the same area, the police said.

The Saudi Embassy could not be immediately reached to confirm the reports.

Official on Repatriating Cambodian Refugees

BK0102010190 Bangkok THE NATION in English 1 Feb 90 p 2

[By Thana Phuphat]

[Excerpt] Thailand may move about 290,000 displaced Cambodians back into Cambodia even before a comprehensive political settlement if a ceasefire is implemented, National Security Council (NSC) Secretary General Suwit Sutthanukun said.

Suwit told THE NATION in a recent interview that a proposal for a neutral camp for the displaced Cambodians in Thailand would be unnecessary in the light of what he called "positive and fast-changing developments" in the international effort to bring peace to Cambodia.

"We could send displaced persons back to Cambodia without waiting for a comprehensive settlement, which may take a long time," the top security official said. "We may send them back if there is a ceasefire and if it was safe to do so."

However, Suwit said the Thai government has yet to discuss the proposed early repatriation with the United Nations High Commissioner for Refugees (UNHCR) and the UN Border Relief Operation (UNBRO), which provide humanitarian assistance to the Cambodians.

Suwit apparently echoed the idea of Foreign Minister Sitthi Sawetsila who told a European Community delegation last week that the Thai government wants a neutral camp to be located inside Cambodia for displaced persons currently being sheltered in Thailand.

Cambodian displaced persons, now living in camps administered by individual Cambodian resistance forces inside Thailand, would be sent into areas controlled by resistance forces in western Cambodia, Suwit said.

The EC and other Western countries have suggested that a neutral camp be established as part of preparation for the eventual repatriation and reintegration of displaced persons after a political settlement. By relocating Cambodians to a neutral camp, they hope to eliminate the influence of resistance forces over the displaced persons and thereby ensure free and fair elections to be held under the supervision of the international community.

The Cambodian resistance coalition, which comprises the Sihanoukist Nationalist Army, the Khmer People's National Liberation Front and the Khmer Rouge, have gained sizeable territory in its military drive against Phnom Penh after the international peace conference on Cambodia in Paris broke down last year.

"It (early repatriation) is nothing new. Cambodian displaced persons used to live in border encampments inside Cambodia before they were driven into Thailand after a major offensive by the Phnom Penh government in 1984-85," he said. [passage omitted]

Air Force Plans To Purchase Combat Aircraft

BK3101023790 Bangkok BANGKOK POST in English 31 Jan 90 p 3

[Text] The Air Force plans to buy two squadrons of combat aircraft for 12,000 million baht.

Air Force commander-in-chief ACM [Air Chief Marshal] Kaset Rotchananin yesterday did not elaborate on the combat aircraft to be bought, but is believed to be interested in Panavia Tornado Multi-Role Combat Aircraft (MRCA)—a joint production from West Germany, Italy and Britain.

The Air Force's combat aircraft now deployed include F-16 Fighting Falcon and F-5 Tiger fighters from the United States.

ACM Kaset said the aircraft procurement plan would depend largely on how much money the Government allowed.

The Air Force also wanted to buy two more C-130 Hercules cargo planes from the US, he said, bringing its total to eight.

However, the Air Force planned to deploy a squadron of 12 C-130s within three years and would buy a squadron of medium-size transport planes to replace the ageing C-47s and C-123s, ACM Kaset said.

Armed Forces chief-of-Staff Gen Sunthon Khongsomphong said the Air Force's weapons system procurement plans would take time to materialise completely.

"We would have to buy (weapons systems) gradually and that would take time, however," said the chief-of-staff, apparently implying the Air Force, among other armed forces, would face budget constraints.

Gen Sunthon, who visited the Air Force headquarters yesterday, said he agreed with ACM Kaset's plans to buy more combat aircraft, cargo planes, anti-aircraft artillery guns and other hardware.

The procurement programmes were part of the Air Force's modernisation plan to keep abreast of friendly and potentially enemy countries in the region, Gen Sunthon said.

In another development, ACM Kaset said acting supreme commander Gen Chawalit Yongchaiyut has approved in principle the setting up of four air divisions to control the 11 air wings nationwide.

He said the Air Force has yet to select its officers to be commanders of the four divisions, which are comparable with the four army regions.

—The Navy, meanwhile, plans to set up a Marine Development Division, said Navy chief-of-staff Adm Dilok Phattharakoson.

He said the main task of the new division would be to help civilians at sea and that its commander would be a rear admiral.

9 Key Communist Party Members Yet To Surrender

BK3101015390 Bangkok THE NATION in English 31 Jan 90 p 3

[Text] Nine key members of the inactive Communist Party of Thailand [CPT] have not surrendered to authorities yet although the government had released 12 prominent communist suspects under an amnesty law last September, sources at the Internal Security Operations Command (ISOC) said yesterday.

The law, introduced by Prime Minister Chatchaid Chunhawan and approved by Parliament in July, applied to communist suspects and political prisoners who were not charged with or convicted of criminal offences.

The sources said the remaining nine include Wirat Angkhathawon, Thong Chaemri, Prasit Taphianthong, Pluang Wannasi, Luan Iamsakun Huang Chaichumchon, Sun Ungthong, Hu Saelim and Dr Phairat Suphakanchanakhanti.

Hu is a merchant somewhere in the South and Phairat is living in the western province of Kanchanaburi, the sources said, adding that the two have distanced themselves from the CPT.

They said Wirat is now in critical condition because of heart disease and remains in exile in China with Pluang, Thong and Prasit.

Pluang, the sources said, expressed his desire to run in the next general election after being allowed to return to Thailand.

Pluang had reportedly contacted the Thai Embassy in Beijing, stating his desire to return to Thailand. Negotiations on his return were said to have nearly been completed. However, there were reportedly some legal problems because Pluang married a Chinese woman and has lived in China for about 20 years.

The sources said the ISOC received a letted dated Dec 15 from Pluang, also a well-known left-wing novelist, with a poem describing his sorrow over the death of Atsani Phonlachan. Atsani, also a CPT member, was reportedly arrested by the Laotian government and died in custody.

Pluang said he could not serve his motherland while in exile in China, therefore he wanted to return to Thailand and enter national politics, the sources said.

They said Pluang would choose a constituency in Surin, his native province, if he was allowed to run in elections. Pluang was a Surin MP during Field Marshal Sarit Thanarat's rule about 30 years ago.

Pluang wanted to return "gracefully" as he was no longer a political offender because of the amnesty law, the sources said, adding that the exact time of his return hinges on negotiations between the government and the military.

Pluang would also continue his study in linguistics after returning to Thailand, according to the sources.

They added that Prasit Thiansiri and Nok Bunyadom, who were among the 12 ex-CPT members released under the amnesty programme, had died.

Chatchai Rejects Call To Oust Democrat Party

BK0102005190 Bangkok THE NATION in English 1 Feb 90 pp 1-2

[Excerpt] Prime Minister Chatchai Chunhawan yesterday rejected a call by a senior Chat Thai MP [member of Parliament] to oust the Democrat Party from the coalition government over the forest encroachment scandal and critical remarks by a Democrat.

Chat Thai sources said that Piya Angkinan, one of the Chat Thai deputy leaders, pushed for the Democrats' ouster during a meeting of Chat Thai MPs at the premier's Ratchakhru residence yesterday.

Piya was quoted as telling his fellow Chat Thai MPs that there was no guarantee that the Democrats would not make any more public remarks offending the premier and other coalition partners.

Democrat MP Samphan Thongsamak last week criticized the Chat Thai-led coalition and personally attacked the prime minister, saying the mole below his left eye was a sign of bad luck.

Chuan Likphai, a deputy Democrat leader, subsequently apologized to the Chat Thai Party for Samphan's remarks.

But the premier was quoted as saying yesterday he was not hurt by the statement which Samphan made at a rally campaign in Nakhon Si Thammarat last Sunday.

The premier also said that the forest encroachment scandal surrounding Agriculture Minister Major General Sanan Khachonprasat did not justify any move to oust the Democrats from the coalition.

"The premier said there was no proof that the Democrats committed any offence in connection with the controversy," said one Chat Thai source who asked not to be named.

The premier appeared tired at yesterday's meeting, saying he "could not care less" if any Chat Thai MP would try to further aggravate the rift between the two parties.

"He said that whatever will happen will happen," the source said.

Chat Thai deputy spokesman Somsak Chanduaikit told reporters that Chat Thai MPs were satisfied with Chuan's apology, although some of them expressed hope that Samphan would not repeat such statements in the future.

Rayong MP Soemsak Karun said that many Chat Thai MPs questioned why only Suan Kitti Reforestation Co Ltd had obtained the lease to operate in the national forest reserve.

The Chat Thai MPs, including Kittisak Hatthasongkhro and Sa-ne Sorin, had earlier criticized Sanan over a special fertilizer deal between the Marketing Organization for Farmers and Sun Hua Seng Group of Kitti Damnoenchanwanit last year.

Somsak said that the Chat Thai MPs agreed to form a working group to study the pros and cons of the government's policy to promote reforestation by the private sector in denuded forests.

The working group would conclude its study and forward it to the Cabinet for deliberation next Tuesday, the deputy spokesman said.

Somsak added that Piya proposed that the government should carry out the reforestation projects instead of letting the private sector conduct the important task.

Before the meeting, Chatchai said that the government would reconsider its policy of promoting the private sector's role in reforestation efforts.

He said that the best way to preserve the forests was to set up as many forest communities as possible to encourage villagers to reforest the denuded areas of national forest reserves.

After a meeting of Democrats yesterday, Maj Gen Sanan said that all Democrat MPs were convinced that he had nothing to do with the forest encroachments.

The party secretary general said that the Democrats extended him moral support during the meeting which did not touch upon the question as to whether the party should pull out of the government. [passage omitted]

Editor Suggests Democrats Quit Government

BK2901021590 Bangkok THE NATION in English 29 Jan 90 p 10

["Thai Talk" column by Editor Sutthichai Yun: "Democrats' Only Way Is OUT"]

[Text] Well-known businessman Kitti Damnoenchanwanit quits his senatorship. Agriculture Minister Maj Gen [Major General] Sanan Khachonprasat leaves his Cabinet portfolio while insisting on his innocence. The Democrat Party says a grudging goodbye to the coaliton government. Prime Minister [PM] Chatchai Chunhawan declares: "There are no problems" and reshuffles the Cabinet. Enter the Chatchai II [roman two] Cabinet.

This scenario doesn't appear all that unlikely in the wake of the controversy over the commercial reforestation project granted to Kitti in Sanamchaikhet district of Chachoengsao province. Allegations of shady dealing and encroachment in a reserve forest area that smack of influence-peddling won't come unstuck easily. None of the official statements from the top, all the way from the prime minister on down, make any sense at all.

The alternative to the above scenario would be a case of "too little, too late." A Cabinet reshuffle on a major scale is only a damage-control measure—not total salvation in any way. The issue, if left unattended to, could well drown Premier Chatchai, who has yet to admit that his ship of state is sinking.

The embattled Democrat Party is in tatters—and most senior Democrats realize this. It missed a golden opportunity to salvage whatever little was left of its track record last month when the party's Cabinet members did not join party leader Phichai Rattakun in calling it quits from the government. Perhaps political power has gone to their heads. Why Chuan Likphai, the party's least-tainted leader, known for his adherence to political principles, chose to be named deputy premier instead of bidding farewell to reorganize a badly-shaken party, remains at puzzle.

Now, a bombshell has hit the Democrats and the damage may be irreparable. Even Chuan, to the surprise of many observers, remained undisturbed—at least publicly. He denied that Kitti was nominated to the Senate by the Democrat Party or appointed the PM's economic adviser under the Democrat Party's quota. Even if that was true—and it doesn't really matter whether it wasn't with the water boiling over at this point—the party's image has suffered a very severe blow indeed. Doomsday for the Democrat Party is just around the corner.

What was behind the move launched by maverick Assistant Police Director General Prathin Santipraphop last Monday, when 156 workers of the Suan Kitti Co (Kitti's firm) were rounded up for alleged forest encroachment and illegal logging at the site in Chachoengsao province? That may be an interesting question for the whole issue and its political implications. But the end seems more relevant than the means now.

It did not matter either that the same offence had in fact taken place even during the time Gen Prem Tinsulanon—as was pointed out by former premier M.R. Khukrit Pramot, who suggested that the unity among coalition partners under the then Prem government somehow kept the matter under wraps. In blunt, political parlance, Agriculture Minister Sanan and Senator Kitti—as as well as those in the Royal Forest Department and local administration—have committed the mistake of being caught in the act.

How Kitti, president of the major agro-business conglomerate Sun Hua Seng, also became one of the economic advisers to the prime minister has also become a hot debating point. Did the Democrat Party nominate

him? Some Democrats denied it. Others have resorted to a "hum-and-haw" response to the question. It has all the trappings of a scandal in which the "smoking gun" is just a step away from being detected.

Minister Sanan may have come out in defence of Kitti and the decision to grant the businessman a licence to undertake the massive reforestation project, praising him for doing a good service to the country. Kitti has suggested that he may have become a "pawn" in the political see-saw game although he didn't actually put it in that many words.

But Sanan and Kitti's relationship has in fact become too close for political comfort. When the Opposition grilled the minister during the last much-publicized no-confidence debate in the House in mid-1989, one of the major allegations raised was that the Democrat minister had decided to buy 300,000 tonnes of fertilizer at Baht 1.5 billion for the marketing organization for Farmers (MOF) from Kitti's group of companies. At the time, Sanan explained that Kitti would barter Thailand's farm products for fertilizer from abroad—portrayed to be an export promotion measure—and that the business group would be selling the fertilzer to the ministry at cost.

As it turned out, Sanan has not yet cleared the doubts in many people's minds over the accusation that Kitti's company did not in fact import that lot of fertilizer, acquired by the company from another local firm—Thai Central Chemicals Co. The Opposition also offered another devastating accusation—that the minister personally inspected the fertilizer stock at the warehouse. How he managed to gloss over this glaring violation of the ground rules is strong ammunition that is now being picked up again for another frontal attack.

Sanan's political foes aren't confined to the Opposition. A number of Premier Chatchai's Chat Thai Party MPs [members of Parliament] have been at loggerheads with the Democrat minister over the issuance of title deeds to residents who have encroached on reserved forests and wastelands. Piya Angkinan forests and, Chat Thai MP from Phetchaburi, have launched a campaign to collect signatures from MPs and senators calling for the dismissal of Kitti from the Senate and Sanan from the Cabinet.

The Royal Forest Department won't get away with it either. Forest Department Director General Phairot Suwannakon, usualy known as a strong fighter against forest poachers, has slipped this time. When the story first emerged, he stepped on Kitti's side, lauding the businessman for his effort to help replenish the country's forests. But a few days later, the director-general admitted that Suan Kitti Co had in fact moved in to work on the plot of land in December 1989. Minister Sanan didn't sign the permit until January 4, 1990. Interestingly enough, the department only received notification of the minister's permission of the project in this case on January 24—exactly two days after Lieutenant Police General Prathin raided the site.

And Prime Minister Chatchai has been saying for the past week that he has yet to receive a full report on the incident. One would think that the chief executive of this country would be in a position to summon anybody, at any time, to give him a complete account of such an intriguing story. But he prefers to let the report go through the normal bureaucratic channels. If he wants to buy time, that's certainly understandable. If not, he must have something else up his sleevs.

The Chat Thai and Democrat Parties' executive committee members are due to meet separately this week to thrash out the ongoing political situation. The "Suan Kitti" scandal has caught on like a brush-fire, and not only is the Opposition making hay out of it. The whole country is watching how Premier Chatchai will handle this hot potato. He has hurled previous ones away with the admirable dexterity of a good, old seasoned politician.

This time around, the shrewd stuntman of politics won't get away unscathed. He realizes of course that calls for his resignation have also been rising over the issue. Without a dramatic acrobatic act, the veteran showman may be forced to jump ship as well.

But Premier Chatchai will save that for the last act. The show will go on—with him in the cast. He still has one or two more cards to play to avoid boos and jeers from the increasingly frustrated audience.

Khukrit 'Uneasy' About Support for Government

BK0102005790 Bangkok THE NATION in English 1 Feb 90 p 2

[Text] Former prime minister M.R. Khukrit Pramot declared yesterday that he would no longer support the government following a meeting with an opposition MP [member of Parliament] who supplied him with evidence about Senator Kitti Damnoenchanwanit's company's encroachment on a national forest reserve.

Khukrit said the meeting had left him stunned and he felt uneasy about his support for the government after learning the facts about the forest scandal from Suwit Khunkitti of the Solidarity Party.

Suwit told Khukrit a Solidarity party fact-finding team had found that the area concessioned to the Suan Kitti Reforestation Co in Khwae Rabom-Siyat forest reserve in Chachoengsao's Sanam Chaikhet District was a fertile forest before the company was licenced to "develop" the area.

Khukrit has previously always supported Prime Minister Chatchai Chunhawan's administration as it was the first government with an MP at the helm for over 10 years.

The former prime minister said he now had to change his attitude towards the administration because it was clear that the coalition has mismanaged its responsibility.

He said he might join the opposition Solidarity in launching an attack against the government coalition.

Khukrit added that Chatchai would meet him tomorrow but did not elaborate.

'Young Turk' Among 18 Senior Officers Promoted

BK2801033090 Bangkok THE NATION in English 28 Jan 90 p 2

[Text] The Defence Ministry has promoted eighteen senior army officers attached to the Office of Permanent Secretary for Defence and the Supreme Command Headquarters, including controversial former "Young Turk" Colonel Manun Rupkhachon.

Col Manun, who masterminded the September 9, 1985 coup attempt, was promoted to the rank of major general attached to the Office of Defence Permanent Secretary.

Manun, who fled to West Germany after the abortive coup and was later fired by the army, returned from exile early last year after the government granted an amnesty to those involved in the incident.

He was reinstated and was assigned to an inactive post at the Office of the Permanent Secretary for Defence. In April 1981, Manun and a number of his classmates staged a coup against the government of Prime Minister Prem Tinsulanon. The coup was crushed in three days, but no legal actions were taken against the coup plotters. They were, however, removed to inactive posts.

Three generals were also promoted to the rank equivalent to field marshal and became deputies permanent secretary of defence. They are General Kasem Sanguanchatsorakrai, Admiral Somphot Khamasunthon and ACM [Air Chief Marshal] Prawit Chandarapradit.

Gen Wisit Atkhumwong, adviser attached to Supreme Command Headquarters, was appointed as director of the Policy and Planning Office of the Permanent Secretary for Defence.

Lieutenant General Ritthi Phuakphiphat became adviser to the ministry's Permanent Secretary Office while Lt Gen Prathuang Thianthongdi was named chief of the Registration Department.

The other officers who were moved up in ranks were:

—Major General Thawat Ket-angkun, as deputy director of the Policy and Planning Office;
—Captain Samran Phoncharoensuk, RTN [Royal Thai Navy], as assistant director of the Policy and Planning Office;
—Maj Gen Decha Phisitkasem, Rear Admiral Chamnan Khongsuwan and Col Sawaiwit Senanarong became officers attached to the ministry's Permanent Secretary Office;
—Lt Gen Chawan Kanchanakun, as adviser to the Supreme Command;
—Maj Gen Wibun Ninchunlaka, as deputy director of National Defence [College];
—Maj Gen Prachuap Channara, as officer attached to the Supreme Command;
—Maj Gen Samphan Bunyanan, as director of the Comptroller Office;
—Col Samat Phawilai, deputy director of the National Defence College [NDC]; and
—Col Bunsak Kamhaengritthirong, as director of the NDC's Institute of Strategic Research.

Minister Suspends Talks With Port Strikers

BK0102032990 Bangkok BANGKOK POST in English 1 Feb 90 pp 1, 3

[Excerpt] Claiming the Government has ignored their demands, striking port workers last night said they would seek help from Armed Forces Chief Gen [General] Chawalit Yongchaiyut.

The move by six Port Authority of Thailand (PAT) labour unions followed their failure to resume negotiations with prime ministerial advisers after talks on Tuesday were deadlocked.

Somchai Maksamphan, a labour leader, said all 3,500 striking workers would converge on Gen Chawalit's office as soon as workers could arrange an appointment with him.

"We cannot trust the PM's [Prime Minister's] advisers and the Government any more. Gen Chawalit is the only person we can trust and deal with," Mr Somchai told rallying workers yesterday.

An attempt was made to set up another round of talks between the unions and advisers, but it failed yesterday because workers said they would talk only with Prime Minister Chatchai Chunhawan and Communications and Transport Minister Montri Phongphanit at PAT headquarters.

Mr Montri responded by declaring the Labour Department would take legal action against PAT workers if they did not resume work.

"There will be no more talk, no more negotiations. I will not explain to them any more; it's totally finished," he said.

The minister said the issue of allowing private enterprise a role in Laem Chabang deep-sea port—which sparked the strike—had been decided by the Cabinet and he had no authority to revoke the decision.

"The Government (PM's advisers) has already spent more than four hours in discussion with them (workers) and turned up with no solution. Now it's up to the enforcer," he said.

Labour Department chief Siri Kewalinsarit has also warned the unions against violating the law.

He said six unions obtained permission to hold an extraordinary meeting from noon to 1.30 p.m. on Tuesday at the PAT club, but the unions began their work stoppage at 9.30 a.m. at a parking lot, thereby disrupting loading and unloading and damaging the PAT and entrepreneurs.

The strike, if it continued, would cause great damage to the country's economy. Moreover, the unions' activities might violate the purpose of their establishment, the labour law and other laws, he said. [passage omitted]

Health Issue Highlighted in U.S. Tobacco Talks

BK0102035790 Bangkok THE NATION in English 1 Feb 90 p 13

[By Phani Khonkit, Chirawat Krongkaeo]

[Excerpt] The government's International Economic Relations Policy Committee yesterday reaffirmed that health grounds will be cited in next week's negotiations with the United States as the main reason for Thailand's opposition to cigarette imports.

Also yesterday, students announced that they would demonstrate on Monday when US officials start negotiations in Geneva with their Thai counterparts aimed at lifting the cigarette import ban.

Speaking after a meeting of the multi-agency body that oversees trade negotiations, Commerce Minister Subin Pinkhayan said health will be the most important of four points in the Thai defence of the cigarette import ban in next week's talks.

The committee reiterated that Thai opposition to foreign cigarettes should also be based on the harm American imports could cause to the livelihood of Thai tobacco farmers, loss of revenue for the Finance Ministry which is in charge of the Thailand Tobacco Monopoly [TTM], and the threat of unemployment among TTM workers if the monopoly's sales are hit by competition from the US imports, Subin said.

But one source present at yesterday's meeting said that the health grounds might be the only serious defence Thailand could use.

Although the US Trade Representative, Carla Hills, has been petitioned by American tobacco companies to impose trade sanctions unilaterally against Thailand under Section 301 of US trade law, Hills and her staff have decided to use the multilaterally-agreed market liberalizing provisions of the General Agreement on Tariffs and Trade (GATT) as a basis for the negotiations scheduled to be held on Monday and Tuesday in Geneva.

Thai sources say Bangkok's defence will be based on Article 20 of GATT, which allows signatories to restrict trade in order "to protect human, animal or plant life or health".

But the article also says that such restrictions must not be "a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade".

The US argument is that because Thailand allows domestically manufactured cigarettes to be sold, the import ban discriminates against foreign cigarettes. Special excise duties charged on imported cigarettes would also be discriminatory, the Americans say.

Key ministers involved in the issue were scheduled to meet Prime Minister Chatchai Chunhawan and his advisers last night. The ministers included Deputy Prime Minister Phong Sarasin who chairs the multi-agency committee, Deputy Health Minister Suthat Ngoenmun, Deputy Foreign Minister Praphat Limpaphan, Education Minister Mana Rattanakoset and Deputy Argiculture Minister Udon Tantisunthon.

If next week's talks remain inconclusive, Washington could ask GATT's governing council to appoint a panel of experts to rule on the legitimacy of the US grievance. According to GATT rules, the United States can seek the appointment of a panel 60 days after a submission to GATT is first made—60 days expire on February 22.

The panel would then report back to the GATT council within six months, but the ruling body's decision would not necessarily be binding on Thailand or the United States.

If the Thai and US negotiators fail to agree on a settlement within GATT, the Americans could use unilateral action under Section 301 of their own law, Subin said yesterday.

According to a Commerce Ministry source, the Thai negotiators will be led by Commerce permanent secretary Phatchara Itsarasena and will include Karun Kittisathaphon, deputy director general of the Business Economics Department, Kroekkrai Chiraphaet, deputy director general of the Foreign Trade Department, and Suchai Chaowisit, deputy director general of the Commercial Registration Department. The Thai Health and Finance ministries will also be represented.

The source said the officials have concluded that Thailand should argue that the Bangkok government does not encourage cigarette smoking. The state's role is minimal even though the Thailand Tobacco Monopoly is a state enterprise, the source said, because the TTM is generally self-administering. [passage omitted]

Foreign Ministry on Indochinese Trade Policy

BK3101152390 Bangkok Domestic Service in Thai 1300 GMT 31 Jan 90

[Text] In connection with press criticism that the Foreign Ministry's trade policy toward the Indochinese countries contradicts the government's policy of turning

the Indochinese battlefield into a market place, Foreign Ministry Spokesman Somphong Faichampa gives the following clarification:

1. The Foreign Ministry has functioned so far in line with the government's policy of turning the Indochinese battlefield into a market place. The ministry has coordinated closely with other government agencies concerned. It has never banned private sectors from trading with Indochinese countries. To the contrary, the ministry has tried to find ways to help and coordinate with the private sector in contact with those countries.

2. Regarding Vietnam, the Foreign Ministry has attempted to promote relations with it. This can be seen by the foreign minister's visit to Vietnam, which was the first visit to that country by a high-level Thai official. The private sector has participated in every visit by a Thai senior official to Vietnam. Recently, the foreign minister announced clearly during his meeting with the House Committee on Foreign Affairs that we have gradually reduced isolation of Vietnam and have increased contact with it. In addition, Thailand and Vietnam have concluded trade agreements. However, decisions on investment, business, and trade are matters of the private sector. The Foreign Ministry has never opposed sending trade delegations to Vietnam. Thailand has been implementing a clear and open trade policy toward Vietnam.

3. Thailand's trade policy with Laos is similar to its policy toward Vietnam. The Thai deputy foreign minister [Praphat Limpaphan] recently led a Thai-Lao border delegation to attend a meeting in Vientiane. On that occasion, he met Lao leaders to discuss ways to increase bilateral relations. The Lao side responded well. Now, Laos is considering an investment protection draft, as proposed by the Thai side. The Foreign Ministry has plans to increase the private sectors' investment in Laos.

4. The Foreign Ministry realizes that the Thai economic system is a free trade system which respects the decisions of the private sector on business. In practice, the private sector's business operations in any market depend on the judgments and decisions of the private sectors. Government agencies are ready to help and promote them to achieve their set targets.

Vice Foreign Minister Speaks on Indian Visit

BK2901003590 Bangkok THE NATION in English 29 Jan 90 p 2

[By Atthawibun Sisuworanan]

[Text] The new Indian government has reiterated the need for closer Indo-Thai relations, including an economic cooperation scheme which would upgrade India to an important trading partner for Thailand within the next five years.

Deputy Foreign Minister Praphat Limpaphan, speaking yesterday after returning from attending India's 41st national day celebration in New Delhi, said recently-elected Prime Minister Vishwanath Pratap Singh considers closer Indo-Thai relations an integral part of India's policy of improving ties with neighbouring countries.

Singh, who defeated former Prime Minister Rajiv Gandhi in general elections last November, is now running a minority government that is putting greater emphasis on peaceful co-existence with neighbours in South Asia.

The new premier however told Praphat that his government would abide by agreements India made with Thailand during the Rajiv Gandhi government.

Indo-Thai relations improved substantially last year after a March visit to India by Prime Minister Chatchai Chunhawan narrowed the divergence of views on the Cambodian conflict, the main source of mistrust between the two nations. Chatchai and Gandhi agreed to improve bilateral ties, particularly in trade and economic cooperation.

Thailand and New Zealand were the only two East Asian countries whose leaders were invited to attend the Indian national ceremony. Praphat also met with Rajiv Gandhi and held discussions with Foreign Minister Inder Kumar Gujral and Industrial Minister Ajit Singh during his three-day visit.

Praphat said the new Indian government agreed to send delegations to Thailand in the near future to look at the feasibility of investment projects, particularly areas such as the petrochemical, cement, sugar and pharmaceutical industries in which India has advanced technology.

The investment projects would be tabled for final debate at the 2nd Indo-Thai Joint Commission meeting, which will take place in New Delhi in September.

Praphat said the possibility of the investment projects being implemented is very likely.

Ajit Singh, who praised Thailand's industrial development, told Praphat that Thailand would be the centre of Southeast Asia in business and industry within the next decade. The Indian industrial minister shows particular interest in joint investments in Thailand's eastern and southern seaboard development projects, Praphat said.

India also agreed to a Thai proposal that both sides enter into a long-term arrangement in which Thailand would supply India with rice. The scheme would help India maintain a sufficient rice supply in times of food shortages and allow it to export its high-grade basmati rice in years of good crops.

Kopsak Chutikun, ambassador attached to the ministry, said Praphat's consulations with Ajit also reaffirmed the viability of the bilateral trade target of Bt25 billion by 1992, which was set at the first meeting of the Thai-Indo Joint Commission last year.

Vietnam

Expert Economic Talks With PRC Said Planned

OW0102105990 Tokyo KYODO in English 1012 GMT 1 Feb 90

[Text] Hanoi, Feb 1 KYODO—Chinese officials set to attend memorial festivities this May for the late Vietnamese leader Ho Chi Minh plan expert-level talks on economic problems affecting both nations, an informed source here said Thursday.

The planned economic talks are in line with reported Chinese statements calling for closer ties with Vietnam and North Korea.

Members of the Chinese Academy of Social Sciences will make up the majority of a delegation set to attend the 100th anniversary celebrations of Ho Chi Minh's birth in May.

The source said China has expressed a special interest in Vietnamese price control measures which helped subdue inflation, which hit a 700 percent annual rate at one point, to its present 30 to 40 percent level.

Informal talks between Chinese and Vietnamese provincial officials discussing border trade and other issues are the first since the Sino-Vietnamese border conflict of 1979, the source said. Authorities reportedly opened the border temporarily to mark the celebration of the lunar New Year, starting on January 27.

Chinese Embassy officials here, the source said, have also conveyed to the Vietnamese Foreign Ministry their desire for improved ties.

A separate source predicted a normalization of bilateral ties might be possible within the year but no links between the nations' ruling Communist Parties, adding that the current Soviet tilt in Vietnamese diplomacy would continue.

Hong Kong press reports have cited senior Chinese leader Deng Xiaoping as emphasizing the need for stronger ties with both North Korea and Vietnam. While unable to verify the reports, sources here say that the atmosphere between Hanoi and Beijing is better than in the past.

"We are learning from the confusion in the Soviet Union and Eastern Europe. On the matter of seeking the modernization of an autonomous Asian socialism our thoughts are not far from those of our Chinese comrades," the source commented.

Beijing has criticized the democratic changes sweeping Eastern Europe as a disorderly break from socialism, and Deng recently criticized Soviet President Mikhail Gorbachev for straying from Marxist-Leninist principles, according to Hong Kong press reports.

But the source rejected the idea of an Asian version of the former Soviet-East European socialist bloc, saying Hanoi would not accept such an arrangement with China in a leading role.

City Delegation's Activities at 6th Assembly

BK3101155490 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 31 Dec 89 pp 1, 3

[Report by Hoang Van Khang on "activities of the Ho Chi Minh City delegation at the National Assembly's sixth session"]

[Text] The city delegation's preparations for attending this session, although not flawless, were very copious. Even though its work volume was large and its schedule was tight, the delegation did a good job executing its work schedule, which called for holding many discussions on the drafts of various laws, including laws on taxes and trade unions and the press law and a bill designed to amend some articles of the criminal code. It also called for soliciting advice in advance from various professional organs. On the draft of the press law in particular the delegation enjoyed a great advantage, for it had received positive and diverse advice from various establishments, mass organizations, and individuals. In the final days of preparations, although very busy, the delegation tried to hold a get-together with all voter representatives in the city, especially in the two electorates of Go Vap and the 10th Precinct, to further solicit their opinions on pressing problems in production and life. The delegation departed with mixed feelings of eagerness and apprehension (over its heavy responsibility).

Entering the session, one of the first welcome facts was that the preparations and working methods exhibited by the National Assembly, the people's councils, and the Council of Ministers were meticulous and appropriate in terms of both their format and substance, as were the issues presented before the session. The eagerness gained momentum from one meeting to another. During the days of group discussions, the amount of time was never adequate. National Assembly deputies "vied" with one another to make speeches. Many deputies did not seem pleased with the number of speeches they had made. After each day session, a long list of "backlogged" delegates wishing to make a speech remained. When it came to discussing socioeconomic matters, the delegation had a great advantage, for it had many practical experiences. The delegation came from a locality that has tried hard to promptly apply the new mode of doing business, has served as a hub for diverse social activities, has possessed many new means of communication, and has received advice from many knowledgeable deputies such as Nguyen Thi Dinh, Nguyen Huu Tho, Phan Van Khai, Le Van Triet, Nguyen Van Tu, Tran Hong Quan, and others. Members of the delegation were rather well-informed on various problems in their domains of responsibility. That is why they contributed many profound and positive suggestions during group discussions

as well as during plenary meetings held at the conference hall. For instance, Deputies Chu Pham Ngoc Son, Nguyen Thi Ngoc Phuong, Huynh Van Hoang, Ca Le Thuan, Tran Hong Quan, Nguyen Anh Tuyet, and others spoke on their views on educational, public health, and cultural matters. Huynh Ngoc Dien, Tran Bach Dang, Nguyen Quyen Sinh, Nguyen Huu Liem, Tran Thien Tu, Nguyen Thanh Lam, Mai Van Bay, and Le Thi Kim Khanh talked about matters relating to production and business. Buddhist Monk Thich Minh Chau and Catholic Father Phan Khac Tu spoke on religious matters. Deputy Mai Thanh, although this was the first time he had attended a National Assembly meeting, contributed a fairly large number of opinions. More noteworthy is the quality of the opinions discussed. For the most part, the deputies, in expressing their opinions, analyzed and rationally presented the pressing, essential, and toughest problems and suggested measures to deal with various problems such as reducing inflation and bank interest rates, the problem of backlogged products, the price structure for various products, hospital and school fees, the problem of upgrading material-technical bases for the educational and public health sectors, the problem of solving the scourge of unemployment and improving wages, and others. Particularly on the draft laws, the city delegation made remarkable contributions, especially to the press law, with rather diverse suggestions from Deputies Nguyen Thanh Lam, Ly Chanh Trung, Nguyen Huu Tho, and Mai Van Bay. In various reports on the draft laws, the opinions contributed by the city delegation received a fairly high welcome. At this session, the city delegation was also "lucky" enough to be allowed by the meeting presidium and all of the National Assembly deputies present to make more speeches than any other delegations on various matters, especially on economic matters and on the press law. With its straightforward attitude and enthusiastic mood, the city delegation was one of the delegations that sparked many otherwise rarely heated debates at the session. After the session was over, many delegation members made known that almost all of the problems posed by the city's voters were examined by the National Assembly, which gave them appropriate treatment in proportion to other discussions on the general situation as shown in official documents of the session, especially in its 1990 socioeconomic program. As for the press law, the delegation presented its views on the law, analyzed it, and made suggestions to the National Assembly on each particular point of the law based on the general views of the city's people as well as on the delegation's general studies. The result was that many opinions of the city's voters aired in various rectification drives were repeatedly presented by Comrade Tran Hoan in his reports. Many members of the delegation said it would have been much better, more complete, and more productive if the people were given more time to make their suggestions to the draft of the press law.

The baggage the delegation carried on both its out-bound and in-bound trips were great in number. These were what the National Assembly achieved at this session, the results of which were made possible by positive contributions from the people of the city and its National Assembly delegation. While the session was still in progress—on 28 December—the delegation devised a plan to brief its voters (on 13 January). Some deputies even discussed the possibility of going to their own electoral areas to meet their voters as early as 3, 4, and 5 January to give them "fresh" news about the session.

There may be something that is still not complete or totally flawless (this is inevitable), but what the city National Assembly delegation achieved at this session was truly "great" thanks to their relatively high sense of responsibility toward their voters and to the National Assembly.

Seminar on Party Renovation Ends in Success

BK0102061490 Hanoi Domestic Service in Vietnamese 2300 GMT 31 Jan 90

[Text] The applied science conference on the party role in renovation for the sake of socialism has ended in success after two days of urgent, dedicated work on 30 and 31 January.

At this two-day conference, the participants heard welcoming speeches by delegates from the Soviet Union, Laos, and Cambodia as well as 10 out of 80 or more scientific reports; facts concerning party-building work presented by grass-roots organizations; and the contents of some 20 straightforward, serious, and scientific discussions and debates.

The contents of these reports and discussions all reflected the party's great, decisive role in our people's heroic and unsubmissive struggle and the blood-sealed connection between the party and the masses. They also pointed to the achievements and valuable experiences that our party has gained over the past 60 years, particularly from the 3-year implementation of the renovation process in accordance with the lines of the sixth party congress.

Public Opinion Surveys on CPV Leadership

BK0102075690 Hanoi VNA in English 0559 GMT 1 Feb 90

["Canvassing of Public Opinion About Party Leadership"—VNA headline; all quotation marks as received]

[Text] Hanoi VNA February 1—On the 60th founding anniversary of the Communist Party of Vietnam (February 3, 1990), NHAN DAN, Voice of Vietnam Radio, the weekly DAI DOAN KET (GREAT UNITY), the daily SAIGON GIAI PHONG (LIBERATED SAIGON) and other newspapers have interviewed a wide cross-section of the population.

Following are excerpts from the interviews:

Nguyen Khac Vien, doctor and journalist:

"The sixth party congress (1986) has inaugurated the renovation

process and this policy has generated new factors in all fields. To reorganize the party and state apparatus, we must first of all renovate the party's leading style. To preserve its leading role the party must be sensitive to the new changes of the time, to what the people want. It must thoroughly renovate its internal organization. Criticism and self-criticism are not enough.

The cause of the party is also the cause of the entire people. It must be brought up for open discussions in the press and at different forums and conferences so that everybody may deliberate the policies and personnel work of the party and state.

Tran Bach Dang (journalist):

"The Communist Party is the achievement of the entire working class and labouring people and in the special circumstances of Vietnam, it is the common property of the entire Vietnamese nation.

A French professor has just told me: The Communist Party of Vietnam differs from other ruling communist parties in being the outcome of a fierce war. It does not come from the skies or any other planets. That is a correct remark.

To preserve the party is to preserve the glorious road it has travelled to preserve the renovation worked out at the sixth party congress, to preserve the purity of socialism and Marxism-Leninism. To preserve the party is to preserve the wisdom and the scientific character in the method of thinking and in the work of the party, preserve democracy and the relations and interaction between the party and the masses.

But preservation must go along with struggle. We must take the party resolution on renovation as the objective and take struggle as the means of preservation.

What is old and harmful must be eliminated, what is new and good must be built up. Uncle Ho, the leader of our people, our country and our party has so instructed us in his testament."

Ho Y, 72, of the Tay ethnic minority in Thanh La commune,

Cao Loc District, Lang Son Province:

"I have experienced many years and months and Lunar New Year festivals. The enemy of all denominations have one after another set foot on my native land. Thanks to the party and cadres I have survived. I am indebted so much to the party. I have a house, rice fields and cattle of my own. My children are educated, some are working far from here. Their life is much better than mine.

I cannot say that my Thanh La commune already lives comfortably. It is still too much of a monoculture. People have not paid enough attention to the industrial crops and fruit trees. Some party cadres are not exemplary enough. If they think less about their own interests and care more for the people's welfare, I think that the party will have the ear of the people in everything.

Mr. Nguyen Van Tao, a trader of bicycle and motorcycle parts at No 192 Hue Street, Hanoi:

"I am not a party member. I only want a decent life in security.

Our people have shed too much blood to obtain what we have today. I understand the price we had to pay because I am a war invalid. Nobody should be allowed to discredit this system and the party. In previous years, our people used to complain about the hard life, the lack of security and public order. Now, I hear nobody complain. The young generation understands even better than we do. There are less and less delinquent youths. I can affirm this, judging from the children in my own street.

Mr. Nguyen Thi Phi, a graduate of the College of Economics, now working at the Ngo Gia Tu Engineering Factory:

"I have no objection to the party's line, direction and objectives. But I see that the pace of renovation is not quick enough and many weaknesses remain as far as leadership in the running of social and economic affairs is concerned."

Tran Kien Addresses Provincial Party Conference

BK0102062890 Hanoi Domestic Service in Vietnamese 1100 GMT 31 Jan 90

[Text] Commemorating the 60th founding anniversary of the Communist Party of Vietnam [CPV], the Lang Son provincial party committee has launched a political study drive aimed at enhancing the party's role in the renovation undertaking.

This was a good opportunity for local cadres and party members to study the formation and development of the CPV and the Lang Son provincial party organization in the overall process of the 60-year revolutionary struggle.

Comrade Tran Kien, secretary of the party Central Committee and chairman of the Central Control Committee, attended the opening of this political study drive and addressed the participants.

Do Muoi Orders Flag Flying on Party Day

BK0102065190 Hanoi Domestic Service in Vietnamese 0500 GMT 1 Feb 90

[Text] On the occasion of the Communist Party of Vietnam's 60th founding anniversary (3 February 1930-3 February 1990), the Council of Ministers chairman has instructed government agencies and offices to fly the party's banners and the fatherland's flags on 3 February

1990. Regarding agencies and offices which do not have the party's banners, they will be required to fly only the fatherland's flags.

Moscow Functions Mark Anniversary of Relations

BK3101151590 Hanoi VNA in English 1454 GMT 31 Jan 90

[Text] Hanoi VNA Jan 31 - Vietnamese Ambassador to the Soviet Union Nguyen Manh Cam, gave a reception in Moscow on Jan 30 to mark the 40th founding anniversary of the Vietnamese-Soviet diplomatic relations.

Among those present were L.N. Zaykov, Politburo member and secretary of the Communist Party of the Soviet Union Central Committee, I.A. Rogachev, deputy foreign minister, Gherman Titov, president of the Soviet-Vietnamese Friendship Society, and other senior Soviet party and state officials.

Speaking at the reception, L.N. Zaikov laid stress on the important significance of the event. He highly valued the constant development of the friendship and all-round copperation between the two countries over the past 40 years. He affirmed that the Soviet people respect their traditional friendship with the Vietnamese people and are determined to develop the solidarity and all-round cooperation of mutual benefit with Vietnam.

The same day, a mass meeting was jointly held in Moscow by the Soviet Ministry of Foreign Affairs, the Union of Soviet Societies of Friendship and Cultural Relations With Foreign Countries, the Soviet-Vietnamese Friendship Society, and the House of Friendship With Other Peoples.

Also on this occasion, Soviet Ambassador to Vietnam D.I. Kachin today gave a reception in Hanoi.

Among his guests were Nguyen Co Thach, Politburo member of the CPV Central Committee, vice chairman of the Council of Ministers and foreign minister, Hoang Bich Son, member of the CPV Central Committee and Head of its Commission of External Relations Dinh Nho Liem, member of the CPV Central Committee and first vice foreign minister.

Nguyen Co Thach Hosts Anniversary Reception

BK3001151590 Hanoi VNA in English 1442 GMT 30 Jan 90

[Text] Hanoi VNA January 20—Nguyen Co Thach, Politburo member of the Communist Party of Vietnam Central Committee, vice chairman of the Council of Ministers and foreign minister, offered a reception here today in honour of the 40th anniversary of the establishment of Vietnam's diplomatic relations with socialist countries.

Ambassadors and charges d'affaires a.i. of the socialist countries' embassies here were present

Nguyen Co Thach and his guests proposed toasts to the further consolidation and development of the friendship and cooperation between Vietnam and other socialist countries in the interests of the people in each country, of peace and security in the region and the world over.

Soviet Ambassador Lauds SRV-USSR Relations

BK0102061690 Hanoi Domestic Service in Vietnamese 1000 GMT 30 Jan 90

[From the press review]

[Text] The paper NHAN DAN frontpages an article by Soviet Ambassador to Vietnam Kachin asserting that, forged by the fiercest challenges, the friendship between the Soviet Union and Vietnam has outstandingly overcome the test of the era. Today, we witness the dynamic vigor and significance of this friendship through the development of socialist construction in our two countries.

Dong Sy Nguyen Pays Tet Visit to City Ward

BK3101015290 Hanoi Domestic Service in Vietnamese 2300 GMT 30 Jan 90

[Text] On the morning of 30 January, Vice Chairman of the Council of Ministers Dong Sy Nguyen, Political Bureau member, paid a Tet visit to the cadres and people in Le Dai Hanh city ward of Hai Ba Trung precinct.

Talking with the cadres, party members, and people of Le Dai Hanh city ward, Comrade Dong Sy Nguyen praised them for their achievements over the past several years in leading and managing production, implementing the Army's rear policy and the family planning task, caring for the people's health, arranging jobs for workers, conducting propaganda and education, and assuring security and order.

The Council of Ministers vice chairman also expected that Le Dai Hanh city ward would use its achievements to overcome the remaining shortcomings in order to stay worthy of being the leading banner in the precinct and the city in coming years.

Papua New Guinea

Government Anxious To Investigate Rights Abuses

BK3101095090 Hong Kong AFP in English 0910 GMT 31 Jan 90

[Text] Port Moresby, Jan 31 (AFP)—The Papua New Guinea Government is anxious to investigate claims of human rights abuses by security forces on Bougainville Island, Police Commissioner Paul Tohian said here Wednesday. He said, however, that before any investigation began, those making the complaints should provide evidence to substantiate their claims.

Allegations of human rights abuses by security forces sent from the mainland to the island to counter separatist militants have come from church and political sources.

Mr. Tohian said that those appointed to conduct the investigations should also be free of intimidation and fear of being attacked by militants.

"To conduct proper investigations, it is necessary for witnesses to come forward to give evidence, and for investigators to move around freely without interference from militant activities," he said. "Until the situation returns to normal in Bougainville, it will not be possible for any investigation to be undertaken."

Mr. Tohian said government responsibility extended only to those alleged to have been killed or abused by security forces and not atrocities committed by militants. He said it was legal for the state to use reasonable force in a situation where its authority was being challenged by force. "The illegal use of force and violence by any person is neither condoned nor accepted by the government."

In a fresh condemnation of the actions of security forces a Bougainville politician this week filed an application in the national court, alleging human rights abuse.

Michael Ogio, the member for North Bougainville, claimed that the basic rights of Bougainvilleans were being violated and abused by security forces. In a letter addressed to Chief Justice Sir Buri Kidu, Mr. Ogio said that as an elected member his duty was to protect his people. Mr. Ogio's application seeks to prevent security forces from mistreating and even killing innocent people. He also seeks a constitutional interpretation on the government's decision to declare an all-out war on militants.

Meanwhile the attacks and counter-attacks between the government and Roman Catholic Church on Bougainville over allegations of human rights abuses continued Wednesday. The church's head on Bougainville, Bishop Gregory Singkai, who this week was accused of "un-Christian hypocrisy" by Defence Minister Ben Sabumei, accused the government of trying to cover up its failures by making allegations about the church's involvement with the rebels. Supporting his claims of killings of innocent civilians, Bishop Singkai listed several incidents which he said were the work of security forces, including the killing of a mother and her four-month-old boy on January 7.

Opposition Urges Government Troops Withdrawal

BK0102091590 Melbourne Overseas Service in English 0800 GMT 1 Feb 90

[Text] In Papua New Guinea, a leading member of the opposition has called on the government to withdraw all troops from Bougainville. The call comes as two more Bougainvillean men are reported to have been killed in fighting with security forces.

The member from Morobe, Mr (?Utalla Samena), says with fighting on Bougainville escalating, the government must accept that human rights abuses perpetrated by the security forces are pushing most Bougainvilleans to a position where they have no choice but to side with the militants.

(?Mr Samena) says the government should withdraw all of its troops from the island, declare an indefinite truce, close the Bougainville copper mine, and try to negotiate with the leader of the militants, Mr Francis Ona. (?Mr Samena) also questioned Australian motives in providing additional military aid to his country.

He asks if Canberra was genuinely assisting the Papua New Guinea Defense Forces under normal aid arrangements or simply trying to protect Australian investments on the mineral-rich island. Australia has agreed to provide just over $9 million in extra funding to train and equip 450 men for the defense force this year.

Meanwhile there are further reports of hostilities on the island of Buka, north of Bougainville. Two Bougainvilleans said to be militants have been shot dead while a third has been seriously wounded. There have also been clashes around the Bougainville capital, Arawa, with security forces and militants exchanging fire for up to three hours. Earlier today militants fired shots toward the city's hospital and a truck load of soldiers was ambushed on the road to Kieta, but no casualties are reported.